

AIRLINE REVENUE AND TRANSFORMATION SERIES

The 2022

CarTrawler Yearbook of Ancillary Revenue

By IdeaWorksCompany

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The 2022 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany

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About Jay Sorensen, Writer of the Report

Jay Sorensen's research and reports have made him a leading authority on frequent flyer programs and the ancillary revenue movement. He is a regular keynote speaker at ancillary revenue and airline retail conferences and has testified to the US Congress on ancillary revenue issues. His published works are relied upon by airline executives throughout the world and include first-ever guides on the topics of



Jay with sons Anton and Aleksei at Artist's Point in Yellowstone National Park.

ancillary revenue and loyalty marketing. He received the Airline Industry Achievement Award at the MEGA Event in 2011.

Mr. Sorensen has 38 years experience in product, partnership, and marketing development. As president of the IdeaWorksCompany consulting firm, he has helped boost airline

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About Eric Lucas, Editor of the Report



Eric Lucas is an international journalist whose work has appeared in Michelin travel guides, Alaska Airlines *Beyond Magazine*, *Epoch Times*, *Westways* and many other publications. Founding editor of *Midwest Airlines Magazine*, he is the author of eight books. Eric has followed and written about the travel industry for more than 30 years. He lives on San Juan Island, Washington, where he grows organic garlic, apples, beans and hay; visit him online at TrailNot4Sissies.com.

Eric, at his favorite summer retreat, Steens Mountain, Oregon.

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CarTrawler was established in 2004. Our headquarters are in Dublin, Ireland, with an office in New York. For more information visit www.cartrawler.com.

Updates to the 2022 Yearbook

This is Version 1.1 of the 2022 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany.

Readers are encouraged to visit the IdeaWorksCompany website to check for updates to this yearbook: <https://ideaworkscompany.com/reports/>

Updates will include corrections made to the data presented. These will be summarized in the listing for the 2022 yearbook on the Reports page of the website.

- Page 9, Table 3, the 2019 change for easyJet and Pegasus is corrected.

Every effort is made to provide accurate data. Users are kindly requested to advise IdeaWorksCompany using the contact form provided at the website:

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Summary of the Results

At long last, better – but uneven – airline results in 2021

The story of ancillary revenue for 2021 must begin with a history of the airline industry's past two years. The long shadow of the pandemic began to lift in 2021 in so many ways. Many people in the world received their first Covid vaccinations – but many also did not. Employment showed improvements, economic activity increased its pulse, and travelers carefully ventured back into the air. Border closures for travel and Covid testing requirements reduced the appeal of international trips which explains the difficulty faced by carriers traditionally focused on cross-border flights. The table below demonstrates the challenges of the past two years.

Global Estimate of Airline Traffic and Revenue				
Reporting Year	Traffic	Change	Revenue	Change
2019	4.6 billion		\$840 billion	
2020	1.8 billion	-60.9%	\$350 billion	-58.3%
2021	2.3 billion	27.8%	\$462 billion	32.0%

Source: 2022 Big Book of Travel Data by IdeaWorksCompany

The 60+ percent traffic and revenue drop for 2020 would've been far worse, if the industry had not had a strong pre-pandemic first quarter. Even with a good 2021, traffic and revenue were still approximately half the 2019 levels. This is an industry moving in the right direction, but with plenty of sand in the gears.

Airline management made every effort to slash costs and this unfortunately included professional staff with decades of experience. Tired and frustrated employees took early retirement or left the business for greener pastures elsewhere. Planes were idled – that's never good for mechanical systems – and supply chains for aircraft parts, and every other material that an airline consumes, were disrupted. All this while, a repressed consumer market has been ever-so-eager to "get out there." Perhaps they weren't ready to see the world, but consumers certainly wanted to see friends and family, and visit domestic destinations.

The world did not readily cooperate with the rush to travel. Covid challenged vaccines with variants. Those in developing nations, who didn't have the luxury of choosing a particular brand of vaccine, continued their suffering. Some of these nations are bargain destinations for tourists, which created the additional threat of travelers bringing infections with them.

Governments flexed their policy muscles with border closures, threat assessments for travelers, and the dreaded test-to-return requirements. These variables were made unpredictable by the waxing and waning of infection levels. The airline industry responded with assurances of healthy aircraft environments . . . but everyone knew these were useless while standing shoulder-to-shoulder in a jetway or aircraft aisle.

The pandemic of 1918 had a 3-year duration and so it seems this will be repeated for our pandemic. Even with all of these obstacles, the yearning to travel remains an ever-present human desire. But the leap back did not evenly occur all over the world. The below table lists 2021 year-over-year traffic increases by global region.

Table 2: Passenger Traffic by World Region – 2021 Compared to 2020 Individual Carriers, Weighted Averages	
Middle East & Africa	102.8% increase
Europe	84.3% increase
US & Canada	79.0% increase
Latin America	66.0% increase
Asia & South Pacific	9.8% increase
<i>Source: 2022 Big Book of Travel Data by IdeaWorksCompany</i>	

Asia & South Pacific continued to battle Covid throughout 2021 with acute traffic disruption caused by border closures. It's true, Singapore Airlines Group saw a 560% traffic increase, but that was only because of absurdly low traffic of 514,000 passengers for 2020. The big 3 mainland China carriers (Air China Group, China Eastern Group, China Southern Group) maintained a stable traffic total of 240+ million for 2021 and 2020 – still far below the 2019 total of nearly 400 million passengers.

The Middle East became a go-to destination for luxury in the sun; Emirates and Qatar Airways carried an additional 25.7 million passengers in 2021. In Europe, Ryanair had an outstanding 2021 with a 253 percent traffic increase with 97.1 million passengers carried. The carrier's traffic count dominated the European statistic; removing Ryanair from the results drops the year-over-year increase to 36.9 percent (from 84.3 percent).

In the US & Canada, traffic growth was robust among carriers with the exception of Air Canada, which experienced a 4 percent decrease. Within Latin America, the airlines of the LATAM Group and Volaris added 23.1 million passengers which significantly boosted the region's increase for 2021.

2022 is already demonstrating rapid traffic and revenue gains compared to 2021. In fact, the summer of 2022 is exposing the risk of a too-quick recovery with passenger traffic overwhelming the capabilities of airlines and airports to deliver reliable customer service. The expense slashing and employee reductions of 2020 are now hampering the industry's recovery.

Operationally, too many airlines are caught in a problem of their own making. The good news is – and it is very good news – demand for leisure travel is quickly rebounding to 2019 levels. Business travel has been dented, and the outcome remains unresolved as employers and employees determine what the workplace will look like in the future. The airline industry, and every professional in it, will overcome these challenges – as we always have.

Airlines gain ancillary revenue traction in 2021

The results from the yearbook don't reflect the entire airline industry, just the world of the 75 airlines for which research identified complete or partial elements of ancillary revenue. The **CarTrawler Worldwide Estimate of Ancillary Revenue**, to be released in December 2022, will offer a global assessment. But this yearbook's collection of 75 airlines includes the world's most prolific producers of ancillary revenue, so there are lessons to be learned from the data.

This yearbook often compares 2021 results to the pre-pandemic period of 2019, rather than the mid-pandemic year of 2020. Results for 2020 were significantly affected by the pandemic in every way and the year does not provide a helpful basis of comparison.

Table 3 on the following page lists the top 10 high-performing carriers based upon ancillary revenue as percent of total revenue. This metric defines carriers which place tremendous focus on the sale of a la carte services, or better called "optional extras" in consumer language. As a reminder, "ancillary revenue" should remain an industry phrase, as it bears no relevance for consumers. The fascinating element of the table is the almost universal positive results for 2021 compared to the pre-pandemic period of 2019.

Table 3: Top 10 Airlines – Ancillary Revenue as a % of Total Revenue				
Rank	Airlines	2021 Result	2019 Result	Change from 2019
1	Wizz Air	56.0%	45.4%	↑ 10.6 points
2	Frontier	54.9%	43.6%	↑ 11.3 points
3	Spirit	54.3%	47.0%	↑ 7.2 points
4	Allegiant	51.3%	46.5%	↑ 4.9 points
5	Viva Aerobus	44.8%	45.0%	↓ 0.2 points
6	Ryanair Group	44.7%	34.5%	↑ 10.3 points
7	Volaris	42.9%	38.5%	↑ 4.4 points
8	GOL	33.0%	17.0%	↑ 16.0 points
9	easyJet	31.4%	21.6%	↑ 9.9 points
10	Pegasus	30.8%	26.4%	↑ 4.4 points
2021 and 2019 carrier results were based upon 12-month financial period disclosures for each year.				

As a group, these high-performing airlines learned how to “up their game” in the following ways:

- Expanded product offerings such as large carry-on fees, extra leg room zones, subscription-based benefits, freeze your price, and prepaid change flexibility.
- Adopted better retailing methods for mobile apps, web sites, and online travel agencies to facilitate easier booking and more visibility.
- Raised prices as driven by consumer demand while the industry moves through the pandemic recovery period.
- Applied revenue management techniques perfected for decades in the pricing of air fares.

Of course, these methods have also been adopted by all types of airlines. In the group of 67 airlines disclosing ancillary revenue results for 2021 and 2019, nearly 80 percent posted a better 2021 result for “ancillary revenue as a % of total revenue.”

Table 4: Carrier Categories – Ancillary Revenue as a % of Total Revenue **				
Periods	US Major	High Performing LCC	Other LCC	Other Carrier
2021	22.2%	36.3%	10.5%	7.4%
2019	16.1%	27.0%	9.0%	6.7%
Change from 2019	↑ 6.1 points	↑ 9.3 points	↑ 1.5 points	↑ 0.7 points
** Average of all carriers in each category.				
2021 and 2019 carrier results were based upon 12-month financial period disclosures for each year.				

Table 4 demonstrates the universality of revenue improvements which have occurred since 2019. The pandemic has compelled airlines to become better at generating ancillary revenue. The “High Performing LCC” carriers generate the highest ancillary revenue as a percentage of operating revenue. Examples include AirAsia Group, Jet2.com, Pegasus, Ryanair, Viva Aerobus, and Volaris. This category features the airlines listed in Table 3. The “Other LCC” category consists of carriers, such as AirBaltic, Cebu Pacific, and FlyDubai, having a rate under 16 percent. The “Other Carrier” category has the largest number of airlines, 32 out of the 75 in the yearbook, and includes traditional carriers such as Aeromexico, Finnair, LATAM Group, and Kenya Airways. The US Majors are: Alaska Air Group, American, Delta, Southwest, and United.

Ancillary revenue per passenger is another key statistic, and the top 10 airlines in this category are listed in Table 5. These carriers include those that benefit from extensive travel retail sales and airlines that operate large co-branded credit card portfolios.

Table 5: Top 10 Airlines – Ancillary Revenue per Passenger				
Rank	Airlines	2021 Result	2019 Result	Change from 2019
1	HK Express **	\$88.21	\$27.85	+ \$60.36
2	Jet2.com	\$87.17	\$31.01	+ \$56.16
3	Qantas Airways (FF)	\$85.88	\$37.37	+ \$48.51
4	Air Canada	\$70.58	\$49.47	+ \$21.11
5	Allegiant	\$64.30	\$56.98	+ \$7.32
6	Hawaiian Airlines	\$56.93	\$37.17	+ \$19.76
7	Spirit	\$56.86	\$52.14	+ \$4.72
8	Frontier	\$54.58	\$48.22	+ \$6.36
9	Icelandair	\$54.35	\$21.80	+ \$32.55
10	United	\$52.54	\$40.51	+ \$12.04
<i>2021 and 2019 carrier results were based upon 12-month financial period disclosures for each year. (FF) 80% or more of carrier's ancillary revenue is produced by its frequent flyer program. ** 2021 passenger traffic was just 8,000 passengers.</i>				

The reliability of this metric as a competitive benchmark was hindered by the pandemic. With passenger traffic dropping to low levels, a modest amount of ancillary revenue can dramatically affect outcomes for this statistic. This is especially true for revenue-producing activities which don't directly correlate to traffic, such as co-branded credit card programs. This explains the appearance of HK Express at the top of the table. The Hong Kong based low cost carrier experienced a dramatic traffic decrease to 8,000 passengers for 2021 from 572,000 in 2020.

Jet2.com is an admirable revenue producer with all of its activities aimed at enticing customers to spend money on airline tickets, a la carte services, hotel accommodations, car rentals, and leisure activities. The somewhat opaque manner Jet2.com uses to report this activity does require additional calculations to determine the carrier's full ancillary revenue picture. The company operates all package operations "in-house" which provides a big ancillary revenue boost not seen for most other carriers.

Other airlines in the top 10, such as Air Canada, Hawaiian Airlines, Qantas Airways, and United, benefit from frequent flyer programs which generated good results throughout the pandemic. Allegiant, Frontier, Icelandair, and Spirit are strong a la carte players with a dedication to vacation travel markets which maintained solid ancillary revenue performance in 2021.

Table 6 displays the top 10 airlines for total ancillary revenue. It demonstrates the airline industry is moving closer to the ancillary revenue results of the era before the pandemic. Notable in the table is the extraordinary result posted by Frontier – which has surpassed their 2019 ancillary revenue by 3.3 percent.

Table 6: Top 10 Airlines – Total Ancillary Revenue				
Rank	Airlines	2021 Result	2019 Result	Change from 2019
1	American	\$5,896,000,000	\$7,413,000,000	-20.5%
2	Delta	\$5,831,000,000	\$6,198,000,000	-5.9%
3	United	\$5,468,683,000	\$6,580,000,000	-16.9%
4	Southwest (FF)	\$4,134,000,000	\$4,498,000,000	-8.1%
5	Ryanair Group	\$2,547,307,585	\$3,311,255,802	-23.1%
6	Spirit	\$1,752,875,000	\$1,800,826,000	-2.7%
7	Alaska Air Group	\$1,519,000,000	\$2,033,560,500	-25.3%
8	Air France & KLM *	\$1,368,270,785	\$1,712,952,448	-20.1%
9	JetBlue	\$1,243,000,000	\$1,452,752,000	-14.4%
10	Frontier	\$1,130,325,950	\$1,094,043,000	3.3%
2021 and 2019 carrier results were based upon 12-month financial period disclosures for each year. * IdeaWorksCompany estimate based upon past disclosure updated for current yearbook. (FF) 80% or more of carrier's ancillary revenue is produced by its frequent flyer program.				

Total ancillary revenue for carriers in the yearbook increased significantly for 2021, which is expected when estimated global passenger traffic increased by approximately 27.8 percent to 2.3 billion passengers.¹

¹ Global estimate of passenger traffic from the 2022 Big Book of Airline Data, IdeaWorksCompany.

The 75 airlines in this yearbook generated total ancillary revenue of \$48.4 billion, which is 54.2 percent above the amount generated by the 75 airlines for the 2020 financial period. The results disclosed by airlines in this yearbook are \$18.5 billion lower than the total posted by the airlines in the pre-pandemic 2019 financial period. This is not a pure apples-to-apples comparison as the roster of disclosing airlines does change from year to year.

Table 7 displays results found in the yearbook for a sample of airlines from all over the world. Attractive per passenger revenue is realized in markets which support consumer charge activity with card portfolio economics that command good prices for the miles or points sold to local card-issuing banks.

Table 7: Frequent Flyer Revenue Analysis – 2021 Sampling of airlines, appearing in order of loyalty program revenue disclosed.			
Airlines – Program Name	Frequent Flyer Revenue	Per Passenger	Per Program Member **
American - AAdvantage	\$4,333,000,000	\$26.15	\$37.68
Delta - SkyMiles	\$4,100,000,000	\$31.29	\$30.15
United – MileagePlus	\$3,326,000,000	\$31.96	\$31.38
Alaska Air – Mileage Plan	\$1,100,000,000	\$33.94	\$37.93
Qantas Airways – Frequent Flyer	\$735,145,781	\$85.88	\$54.05
Air Canada - Aeroplan	\$662,609,942	\$50.23	\$37.23
LATAM – LATAM Pass	\$534,000,000	\$13.29	\$13.69
Japan Airlines – Mileage Bank	\$439,179,899	\$25.64	\$13.31
Air New Zealand - Airpoints	\$276,366,223	\$31.95	\$76.77
China Southern – Sky Pearl	\$270,994,191	\$2.75	\$4.52
Azul - TudoAzul	\$219,454,225	\$9.41	\$16.02
Hawaiian – Hawaiian Miles	\$206,176,000	\$31.51	\$20.62
Aerolineas Argentinas - Plus	\$85,571,562	\$17.83	\$28.52
Norwegian - Reward	\$38,880,669	\$6.27	\$4.32
Royal Jordanian – Royal Club	\$3,001,410	\$1.91	\$6.98
2021 carrier results were based upon 12-month financial period disclosures for each year. ** Program membership total estimated for Alaska Air Group and Delta.			

The five largest US airlines (Alaska, American, Delta, Southwest, and United) generated revenue of \$16.4 billion from their frequent flyer programs in 2021. This yields an average of \$30.88 per passenger, which is significantly above the 2019 rate of \$25.71 per passenger for the five carriers. However, the \$16.4 billion 5-carrier total for 2021 remains more than 13.7% below 2019. More than 90% of this cash bonanza is courtesy of co-branded credit card programs.

For the past two years, ancillary revenue has yielded amazing cashflow for airlines. Consumers benefit from a la carte products and the choice of minimum price or maximum convenience. The billions in revenue realized by the 75 airlines included in this yearbook very likely represent the difference between a difficult survival or disappearance from the route map of the global airline industry.

Interesting Items Identified in this Yearbook

Airlines are increasingly more revealing about the results produced by ancillary revenue, loyalty marketing, and retail activities. During the course of its global review of financial disclosures, IdeaWorksCompany uncovered the following examples from 2021 (presented in alphabetical order):

- **Aerolineas Argentinas:** The Aerolineas Plus frequent flyer program generated revenue of ARS 8,194,199,838 (\$85,571,562) which equals \$17.83 per passenger carried.
- **Aeromexico:** The company operates 84 physical travel stores in Mexico (including nine in main airports) and 14 in-house sales offices dedicated to serving corporate and government accounts. Aeromexico has more than 378 corporate contracts worldwide and The Club Premier Corporativo program has 5,700 companies enrolled.
- **Air Canada:** 39% of all Air Canada customers accrue with the Aeroplan frequent flyer program. Of member enrollments, 23% occur in the booking path and 16% occur during check-in. The yield on reward tickets is CAD 1.3 cents per mile. (1.05 US cents). For a domestic 25,000-mile reward, that's CAD 325 (\$262) roundtrip.
- **Air Canada:** Launched partnerships with Starbucks, the Liquor Control Board of Ontario (one of the world's largest retailers of alcoholic beverages), Rocky Mountaineer rail tours, and Uber Canada.
- **Air France/KLM:** Air France sent 52.4 million customer email messages with an open rate of 54%, KLM sent 18.4 million customer email messages with an open rate of 53%.

- **Air Greenland:** The carrier's wholly owned subsidiary Greenland Travel purchased three hotels in the country: Glacier Lodge Eqi north of Ilulissat, Ilimanaq Lodge south of Ilulissat and Iglo Lodge. In addition, the company is developing a new lodge project, Nuuk Icefjord Lodge in Nuuk Fjord.
- **AirAsia Aviation Group:** The AirAsia Super App had 8.5 million active monthly users at the end of 2021. The mobile application allows consumers to book travel on hundreds of airlines, order food from 24,000 merchants, arrange rides with more than 8,000 drivers, and it provides financial services to more than one million financial services cardholders.
- **Alaska Airlines:** The airline is adding more premium seating to its fleet. The share of seats represented by First and Premium classes will increase to 25% by 2023 from 7% in 2016.
- **Azul:** TudoAzul frequent flyer program gross billings (from partner sales) totaled BRL 1,105,000,000 (\$219,454,225) in 2021. With 13.7 million members, that's \$16 per member.
- **China Southern Group:** The "Luggage Home" service was introduced during 2021 which provides home delivery of checked baggage for a fee. The service is offered at 19 airports in China and provides delivery to the home (arrivals) and to the airport (departures). Real time tracking of baggage is provided through the China Southern mobile app.
- **Delta:** IdeaWorksCompany estimates the SkyMiles program has 136 million members. The airline disclosed that less than 1/3 of SkyMiles members hold the Delta co-branded credit card. If a 30% rate is assumed, that's approximately 40.8 million American Express cardholders. The American Express revenue contribution was \$4.1 billion for 2021, which represents average ancillary revenue for Delta of \$100 per cardholder account.
- **EasyJet:** Began selling large cabin baggage as a standalone product in November 2021. Switching to a fee for large carry-ons reduced flight disruptions caused by the need to transfer bags from the cabin to the baggage hold. Flight disruptions from this decreased from 13% to 1.4% of flights.
- **EasyJet:** The carrier's easyJet Holidays operation plans to have just under one million customers for FY 2022. The carrier also disclosed 63% of hotel bookings are with directly contracted properties rather than 3rd parties.
- **Eurowings:** Passengers can book an empty middle seat on all flights in advance.

- Flyr: The airline introduced a “Too Good To Go” service where it offers fresh food from its flights at a 50% reduced price in the afternoon. Going forward, the airline aims to introduce a pre-booking service for all fresh food onboard.
- Frontier: The carrier disclosed during quarterly investor calls that record activity for its co-branded card and Discount Den subscription was achieved during 2021.
- Hawaiian: Ancillary revenue from Extra Comfort seating exceeded \$100 million for 2021, for an average of \$15.28 per systemwide passenger. The service provides more leg room, fast track screening (at seven airports), early boarding, at-seat power, and on select flights expanded IFE choices, and an amenity kit.
- International Airlines Group: Avios frequent flyer members accrued 54 billion Avios points during 2021, with 77% (41.58 billion) generated through partner (non-airline) transactions.
- Jeju Air: Duty free sales were KRW 30.1 billion (\$26,532,160) for 2021, or an average \$4.07 per passenger.
- Jin Air: Assigned seat sales were KRW 2.2 billion (\$1,939,228) for 2021, or an average of \$0.33 per passenger.
- LATAM: Sales of miles for the LATAM Pass frequent flyer program to partners totaled \$585,690,000 for 2021, or approximately \$13.69 per member.
- Lufthansa Airlines: Sleepers Row, which offers a complete sleep row in Economy class, was introduced for long-haul flights. Guests have the opportunity to book a Sleepers Row at an additional charge for over 30 routes. It offers a full seating row of 3 seats, including preferential boarding, a comfortable mattress cover, a blanket and a pillow of business class quality.
- Norwegian: Norwegian Rewards has nearly 9 million members and 1,195,000 co-branded cardholders, which represents more than 13% of total membership. Revenue from co-branded cardholders is approximately \$33 per account.
- Qantas: Qantas Loyalty (operator of the Qantas Frequent Flyer program) disclosed revenue of AUD 984,000,000 (\$735,145,781) for FY 2021. With its 13.6 million members, that’s an average of \$54.05 per member.

- Qatar Airways: The company has the license to sell duty free goods and alcoholic beverages in Qatar. Revenue from this program was QAR 2,119,143,000 (\$582,182,143) for 2021.
- Royal Jordanian: The Royal Club frequent flyer program had revenue of JOD 2,128,000 (\$3,001,410) for 2021. With 430,000 Royal Club members, that's an average of \$6.98 per member.
- Southwest: Customers redeemed approximately 8.1 million flight rewards during 2021, which represented approximately 17.3% of revenue passenger miles flown. Comparable statistics for American and United were 7% and 10% for Delta.
- Spirit: Revenue from advance seat selection was \$215,682,000 for 2021, representing an average of \$7.00 per passenger.
- T'way Air: Seat assignment revenue was KRW 2,800,000,000 (\$2,468,108), or an average of \$0.48 per passenger.
- T'way Air: Throughout 2021 the airline sold "no landing flights" which operate for just over 2 hours to provide a duty-free shopping experience at a ticket price of KRW 107,600 (\$95). The flights were only available to Korea passport holders from Seoul.
- Thai AirAsia: Inflight revenue was THB 61.7 million (\$1,923,103) for 2021, an average of \$0.66 per passenger.
- United: The airline is adding premium seating to its fleet. The average number of First Class and Economy Plus seats on short-haul flights is expected to increase to 56 in 2026 from 31 in 2019.
- Wizz Air: Commission revenue from contracts with service partners was €36.4 million (\$43.2 million) for the sale of on-board catering, and bookings for hotels, car rental, travel insurance, bus transfers, premium calls and co-branded cards. The represents average revenue of €1.34 (\$1.59) per passenger.
- Wizz Air: Passengers may select the "Sitting Together" option (rather than paying for assigned seats) for a fee of €12 per segment with the assurance that seats will be next to each other when seats are automatically assigned during check-in.

Ancillary Revenue Defined

The definition of ancillary revenue offered by IdeaWorksCompany in 2008 has been adopted all over the world and is accepted as the industry standard.

Ancillary Revenue Defined

Revenue beyond the sale of tickets that is generated by direct sales to passengers, or indirectly as a part of the travel experience.

IdeaWorksCompany further defines ancillary revenue using these categories: 1) frequent flyer activities, 2) a la carte features, 3) commission-based products, 4) advertising sold by the airline, and 5) the a la carte components associated with a fare or product bundle.

To add more clarity to this declaration, IdeaWorksCompany offers these explanations:

- **Frequent Flyer Programs:** The frequent flyer category largely consists of the sale of miles or points to program partners such as hotel chains and car rental companies, co-branded credit cards, online malls, retailers, and communication services. Miles or points sold directly to program members also qualify.
- **A la Carte Features:** These represent the items on the ancillary revenue menu and consist of the amenities consumers can add to their air travel experience. The list continues to grow and the following are typical activities: 1) onboard sales of food and beverages, 2) checking of baggage and excess baggage, 3) assigned seats or better seats such as exit rows, 4) call center support for reservations, 5) fees charged for purchases made with credit or debit cards, 6) priority check-in and screening, 7) early boarding benefits, 8) onboard entertainment systems, and 9) wireless internet access.
- **Commission-Based Products:** Ancillary revenue activities also include the commissions earned by airlines on the sale of hotel accommodations, car rentals and travel insurance. The commission-based category primarily involves the carrier's website, but it can include the sale of duty-free and consumer products onboard aircraft.

- **Advertising Sold by the Airline.** This category includes any advertising initiative linked to passenger travel. The following are typical activities: 1) revenue generated from an inflight magazine, 2) advertising messages sold in or on aircraft, loading bridges, gate areas, and airport lounges, and 3) fee-based placement of consumer products and samples.
- **Fare or Product Bundles.** Airlines may allocate a portion of the price associated with a fare bundle or product bundle as ancillary revenue. This is determined by assigning a revenue value to the extra services included in the bundle, such as checked baggage, early boarding, and extra leg room seating.

The list is not intended to be exhaustive or complete; human imagination, including in business, is infinite. However, caution is advised when considering revenue sources not linked to the passenger travel experience. This includes air cargo, mail revenue, ground handling, and inflight kitchen operations. Some carriers consider this ancillary revenue, but they are best included in the category of other revenue.

Carriers are invited to contact IdeaWorksCompany directly to provide feedback on the statistics provided in this yearbook. Airlines also may directly disclose their ancillary revenue activities to IdeaWorksCompany for inclusion in next year's yearbook. Please send your comments via email to Jay "at" IdeaWorksCompany.com.

About Individual Airline Listings

The individual airline listings are intended to clarify the type of ancillary revenue activity attributed to each airline in this yearbook. Some airlines are vague in their descriptions and merely provide an "ancillary revenue" line on the income statement without further details. Some of the carriers don't specifically list ancillary revenue, but describe qualifying activities such as "revenue from the sale of frequent flyer miles to partners" or "onboard retail including food and merchandise." Other airlines provide extensive details and seem very proud of their ancillary revenue accomplishments. Airlines sometimes choose to provide additional information in the presentations made to investment analysts.

The total revenue and passenger numbers for each airline are intended to reflect the activities associated with the generation of ancillary revenue. Financial figures have been converted to dollars with the exception of information provided in the notes from financial reports included in each listing.

The exchange rates used are listed at the end of this yearbook. The rate for 01 July is used as a midway point of the year, as has been practice for prior editions of the yearbook. Group results may apply for some airline listings. For example, activity reported for the Alaska Air Group includes Alaska Airlines and its regional carrier Horizon Air.

The explanatory material provided for each reporting airline is an edited version of company-generated information found in sources such as financial statements, annual reports, analyst research, and investor relations presentations.

The greater length of some listings, such as Allegiant Air, indicates the company dedicated more space in its reports to the topic of ancillary revenue. Interpretation by IdeaWorksCompany provides added context regarding the unique qualities of a carrier's a la carte activity.

A continuing feature for the 2022 edition is the inclusion of prior year results for each airline. The end of each airline listing provides total ancillary revenue for 2018, 2019, 2020, and 2021 periods. Occasionally, commentary on these results is offered as a bullet point above the results.

Sprinkled throughout the airline listings is jargon which might be unknown to some readers. Every industry has its own dialect, and the airline industry is not immune to this practice. While not an exhaustive list, the following are brief definitions of the more notable examples:

- **Branded Fares:** Usually offered as two or three fare choices based upon a “good, better, and best” quality hierarchy. The base fare provides minimal amenities and consumers may select higher-priced fares that offer more perks. Each fare type is always available and has a fixed (predictable) price premium. For example, the lowest priced fare doesn't sell out as a flight fills up, but the base price increases.
- **Continuous Pricing:** Distribution systems have a limit of 26 inventory classes for managing fares in any specific city pair. Yes, that's the number of letters in the English alphabet. Continuous pricing uses calculations performed when a pricing query is made and is not limited to 26 possible outcomes. Fares are not set in advance, but rather an algorithm determines the range of possible outcomes.

- **Dynamic Pricing:** Prices are determined at the time a consumer requests the product. The airline performs an evaluation of demand and supply using a combination of factors unique to each booking request, which may include the consumer's purchase history with the airline. Unlike other methods, to include continuous pricing, this process does not use filed fares and managed inventory classes. Dynamic pricing will rely upon new technology based upon NDC to create a direct link between the consumer's booking request and a carrier's response to price it.
- **Fare Families:** Similar to branded fares, this method offers two or more fare choices. Amenities are linked to existing fare categories, with higher fares providing more perks. However, the lower dynamically priced fares sell out as demand increases, which limits the choices presented to consumers. The price difference between fares can be very large, especially as a flight fills up.
- **NDC or New Distribution Capability:** The New Distribution Capability (NDC), also known as IATA Resolution 787, describes a framework to enable merchandising a la carte services through a global distribution system (GDS) or online travel agency. This is a major change because it takes the pricing function out of the GDS and makes it the responsibility of the airline through its own passenger service system (PSS), pricing and merchandising engines. The GDS becomes a conduit for the pricing methods of the airline and actually identifies the consumer to the airline. This provides airlines the capability to offer dynamic pricing, which can include a bundle of amenities, tailored for individual consumers.

Frequent Flyer Programs and Ancillary Revenue

Frequent flyer programs appear prominently in the financial disclosures of major airlines in Australia, Brazil, Canada, and the United States. Robust revenue results are created by large co-branded credit card portfolios associated with the loyalty programs. The cash generating aspect of co-branded cards warrants more explanation for readers of the yearbook.

Co-branded credit cards are issued by banks (program partners) having a marketing relationship with an airline and its frequent flyer program. Consumers accrue miles or points for purchases made with these cards, such as one point for every dollar charged. Banks pay airlines for the miles or points deposited to a member's account. For purposes of this discussion, let's assume the bank pays the airline \$0.02 (2 cents) per mile accrued by a cardholder.

This activity is typically recorded as two types of revenue by the carrier. The travel-related component is the largest and is tied to the rewards redeemed by members. For this example, let's assume this equals \$0.015 (1.5 cents) per mile. The majority of rewards are for airline travel; this revenue is recorded by the airline when travel occurs. The marketing component is smaller and is the revenue attributed to the value a program delivers beyond the benefit of reward travel. Continuing this example, this would equal \$0.005 (0.5 cents) per mile. This revenue is recorded when points or miles are sold to banks (usually well before reward travel is taken).

The yearbook strives to use the annual sales figure for total miles or points sold by an airline to program partners (for both components); the full 2 cents, using this example. Other program partners participating in this activity include hotel chains, car rental companies, other service companies, and retailers.

Frequent flyer programs have begun to adopt "arms-length relationships" with airlines to facilitate and manage the flow of program currency (miles or points) and rewards between entities. These are intra-company transactions, in which the airline buys miles or points from the program, and the program buys travel rewards from the airline. When these are disclosed, the information is included in the yearbook. However, these accounting transactions are not included in ancillary revenue calculations.

Airlines have been eager to separate the financial reporting of frequent flyer programs from their passenger transport activities. Management believes a stand-alone structure allows frequent flyer programs to operate as independent marketing entities. The hoped-for outcome is better revenue and profits for the airline. The extreme financial pain wrought by the pandemic also allowed airlines to borrow billions of dollars against the value of the cash streams generated by frequent flyer programs and their co-branded credit card portfolios.



Unlock the Mobility Opportunity with CarTrawler

CarTrawler's end-to-end technology platform expands our airline and travel partners' offering to their customers, creating substantial ancillary revenue opportunities.

We provide unrivalled breadth and depth of content worldwide, including car rental, private airport transfer & ride-hailing services.

CarTrawler creates innovative, data-led solutions for some of the largest travel brands in the world. As a B2B company, we focus solely on helping our airline and travel partners build their brands, not our own.

easyJet

UNITED

Alaska

 **hopper**

Uber

 **RYANAIR**

 **NORSE**

 **KLM**

 **transavia**

vueling

eDreams ODIGEO

Wizz

 **TAP PORTUGAL**

TraviX

 **SWISS**

Eurowings

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Ancillary Revenue Data and Graphs

Airlines Posting Ancillary Revenue Results For most recent 2021 full-year period, listed in alphabetical order.				
Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Region
Aegean	\$93,257,317	11.7%	\$12.96	Europe
Aerolineas Argentinas +	\$152,830,808	12.9%	\$31.85	The Americas
Aeromexico	\$135,436,414	6.0%	\$8.18	The Americas
Air Arabia	\$126,043,567	14.6%	\$28.52	Middle East & Africa
Air Astana	\$6,324,000	1.0%	\$1.78	Asia & South Pacific
Air Canada	\$931,039,517	18.0%	\$70.58	The Americas
Air China Group	\$246,133,218	2.1%	\$3.56	Asia & South Pacific
Air France & KLM *	\$1,368,270,785	8.7%	\$38.16	Europe
Air Greenland	\$4,906,989	2.5%	\$15.88	Europe
Air India	\$21,167,254	1.5%	\$3.41	Asia & South Pacific
Air India Express	\$8,438,339	3.3%	\$5.74	Asia & South Pacific
Air New Zealand	\$332,104,919	20.4%	\$38.40	Asia & South Pacific
AirAsia Aviation Group	\$60,794,048	27.8%	\$12.63	Asia & South Pacific
AirAsia X	\$42,282,646	18.1%	\$37.03	Asia & South Pacific
airBaltic	\$21,244,953	9.2%	\$13.05	Europe
Alaska Air Group	\$1,519,000,000	24.6%	\$46.87	The Americas
Allegiant	\$876,859,000	51.3%	\$64.30	The Americas
American	\$5,896,000,000	19.7%	\$35.59	The Americas
ANA Group	\$936,899,188	10.2%	\$49.88	Asia & South Pacific
Avianca *	\$324,497,000	14.7%	\$23.18	The Americas
Azul	\$415,905,492	21.0%	\$17.84	The Americas
Bangkok Airways	\$6,393,865	3.6%	\$11.92	Asia & South Pacific
Breeze +	\$3,278,000	18.2%	\$10.31	The Americas
Cebu Pacific	\$42,598,824	13.4%	\$12.49	Asia & South Pacific
China Eastern Group	\$247,651,281	2.4%	\$3.13	Asia & South Pacific
<i>Table continued on following page</i>				
2021 carrier results were based upon recent 12-month financial period disclosures. * IdeaWorksCompany estimate based upon past disclosure updated for current yearbook. (FF) 80% or more of carrier's ancillary revenue is produced by its frequent flyer program. + New carrier listing since prior yearbook.				

Airlines Posting Ancillary Revenue Results

Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Region
China Southern Group	\$355,708,862	2.3%	\$3.61	Asia & South Pacific
Copa Airlines	\$50,268,000	3.3%	\$8.19	The Americas
Croatia	\$1,416,807	1.0%	\$1.80	Europe
Delta	\$5,831,000,000	21.9%	\$44.51	The Americas
easyJet	\$631,042,418	31.4%	\$30.93	Europe
Emirates	\$542,954,391	3.4%	\$27.70	Middle East & Africa
Eurowings	\$120,104,296	12.3%	\$15.41	Europe
Finnair	\$72,681,975	14.6%	\$25.48	Europe
FlyArystan +	\$39,118,250	25.0%	\$12.77	Asia & South Pacific
Flydubai	\$163,076,923	11.3%	\$29.12	Middle East & Africa
Flyr +	\$459,467	3.1%	\$1.67	Europe
Frontier	\$1,130,325,950	54.9%	\$54.58	The Americas
Garuda Indonesia Group	\$21,382,496	1.6%	\$1.95	Asia & South Pacific
GOL	\$487,565,722	33.0%	\$25.87	The Americas
Hawaiian Airlines	\$372,523,000	23.3%	\$56.93	The Americas
HK Express	\$705,672	27.4%	\$88.21	Asia & South Pacific
Icelandair	\$79,426,000	13.6%	\$54.35	Europe
IndiGo	\$293,125,421	8.2%	\$6.28	Asia & South Pacific
International Airlines Group *	\$801,991,645	8.0%	\$20.64	Europe
Japan Airlines Group	\$873,438,185	14.3%	\$50.98	Asia & South Pacific
Jazeera Airways	\$19,359,927	7.3%	\$18.77	Middle East & Africa
Jeju Air	\$33,495,750	14.0%	\$5.14	Asia & South Pacific
Jet2.com	\$422,776,100	24.9%	\$87.17	Europe
JetBlue	\$1,243,000,000	20.6%	\$41.30	The Americas
Jetstar Group *	\$207,415,704	24.4%	\$28.39	Asia & South Pacific

Table continued on following page

2021 carrier results were based upon recent 12-month financial period disclosures.
** IdeaWorksCompany estimate based upon past disclosure updated for current yearbook.*
(FF) 80% or more of carrier's ancillary revenue is produced by its frequent flyer program.
+ New carrier listing since prior yearbook.

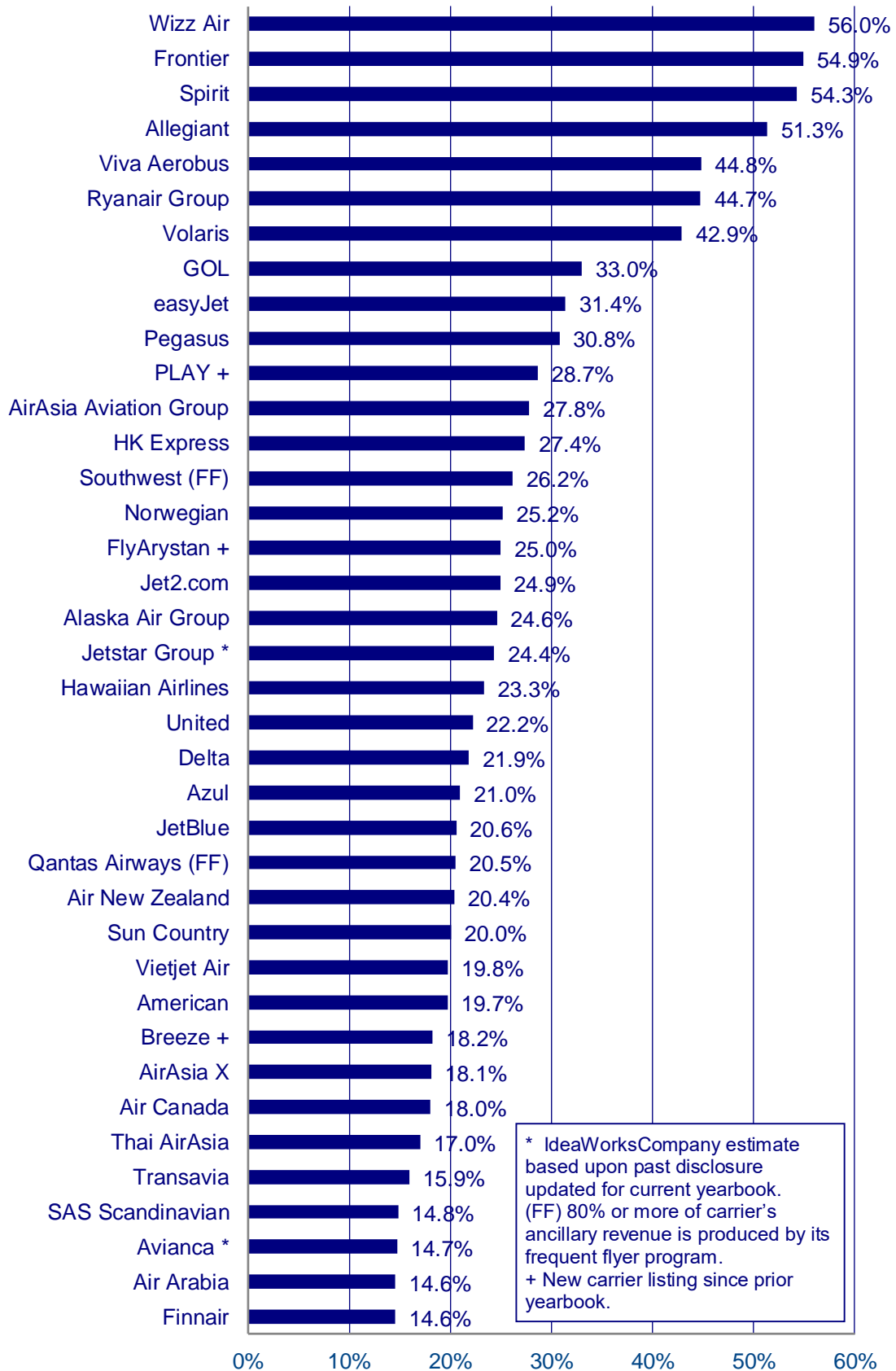
Airlines Posting Ancillary Revenue Results

Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Region
Jin Air	\$20,097,450	9.2%	\$3.44	Asia & South Pacific
Kenya Airways	\$73,977,207	11.4%	\$33.63	Middle East & Africa
LATAM Airlines (FF)	\$585,690,000	12.0%	\$14.57	The Americas
Lufthansa Network Airlines *	\$843,016,055	8.5%	\$21.53	Europe
Norwegian	\$148,120,149	25.2%	\$23.89	Europe
Pegasus	\$373,933,017	30.8%	\$18.55	Europe
Philippine Airlines	\$129,660,283	10.9%	\$43.66	Asia & South Pacific
PIA Pakistan Airlines	\$5,217,119	1.0%	\$1.96	Asia & South Pacific
PLAY +	\$4,700,000	28.7%	\$46.49	Europe
Qantas Airways (FF)	\$735,145,781	20.5%	\$85.88	Asia & South Pacific
Qatar Airways +	\$739,886,538	5.2%	\$39.89	Middle East & Africa
Royal Jordanian	\$23,636,107	4.7%	\$15.07	Middle East & Africa
Ryanair Group	\$2,547,307,585	44.7%	\$26.23	Europe
SAS Scandinavian	\$241,615,487	14.8%	\$31.85	Europe
Southwest (FF)	\$4,134,000,000	26.2%	\$41.71	The Americas
Spirit	\$1,752,875,000	54.3%	\$56.86	The Americas
Sun Country	\$124,879,000	20.0%	\$45.69	The Americas
Thai AirAsia	\$20,290,760	17.0%	\$7.00	Asia & South Pacific
Transavia	\$207,966,014	15.9%	\$23.59	Europe
T'way Air	\$19,215,983	10.2%	\$3.70	Asia & South Pacific
United	\$5,468,683,000	22.2%	\$52.54	The Americas
Vietjet Air	\$77,711,830	19.8%	\$14.66	Asia & South Pacific
Viva Aerobus	\$453,993,164	44.8%	\$29.73	The Americas
Volaris	\$958,296,305	42.9%	\$39.27	The Americas
Wizz Air	\$1,104,339,176	56.0%	\$40.71	Europe

2021 carrier results were based upon recent 12-month financial period disclosures.
 * IdeaWorksCompany estimate based upon past disclosure updated for current yearbook.
 (FF) 80% or more of carrier's ancillary revenue is produced by its frequent flyer program.
 (pp) Results are largely prior to the pandemic. + New carrier listing since prior yearbook.

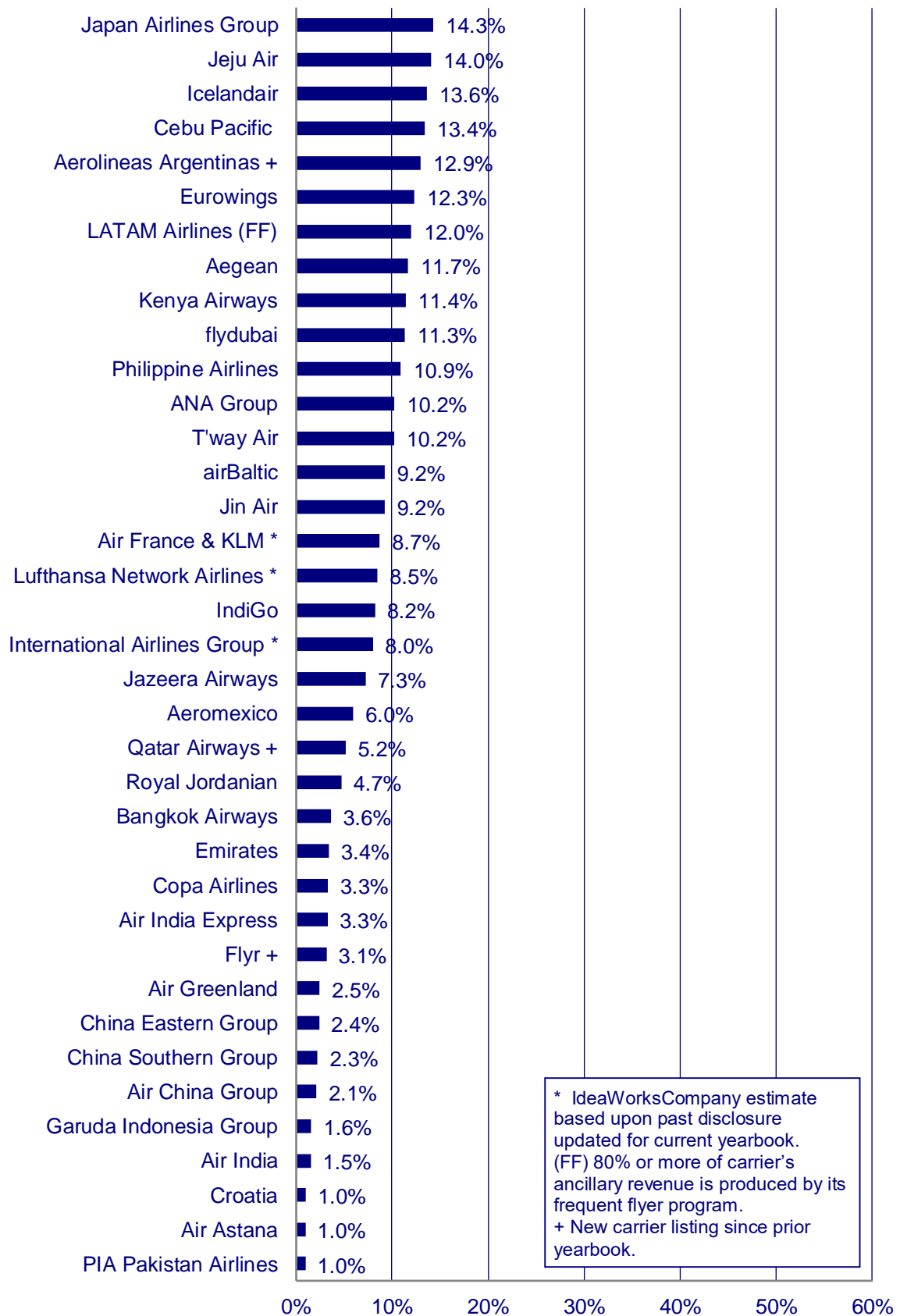
Ancillary Revenue as a % of Total Revenue - 2021

Airlines ranked 1 through 38



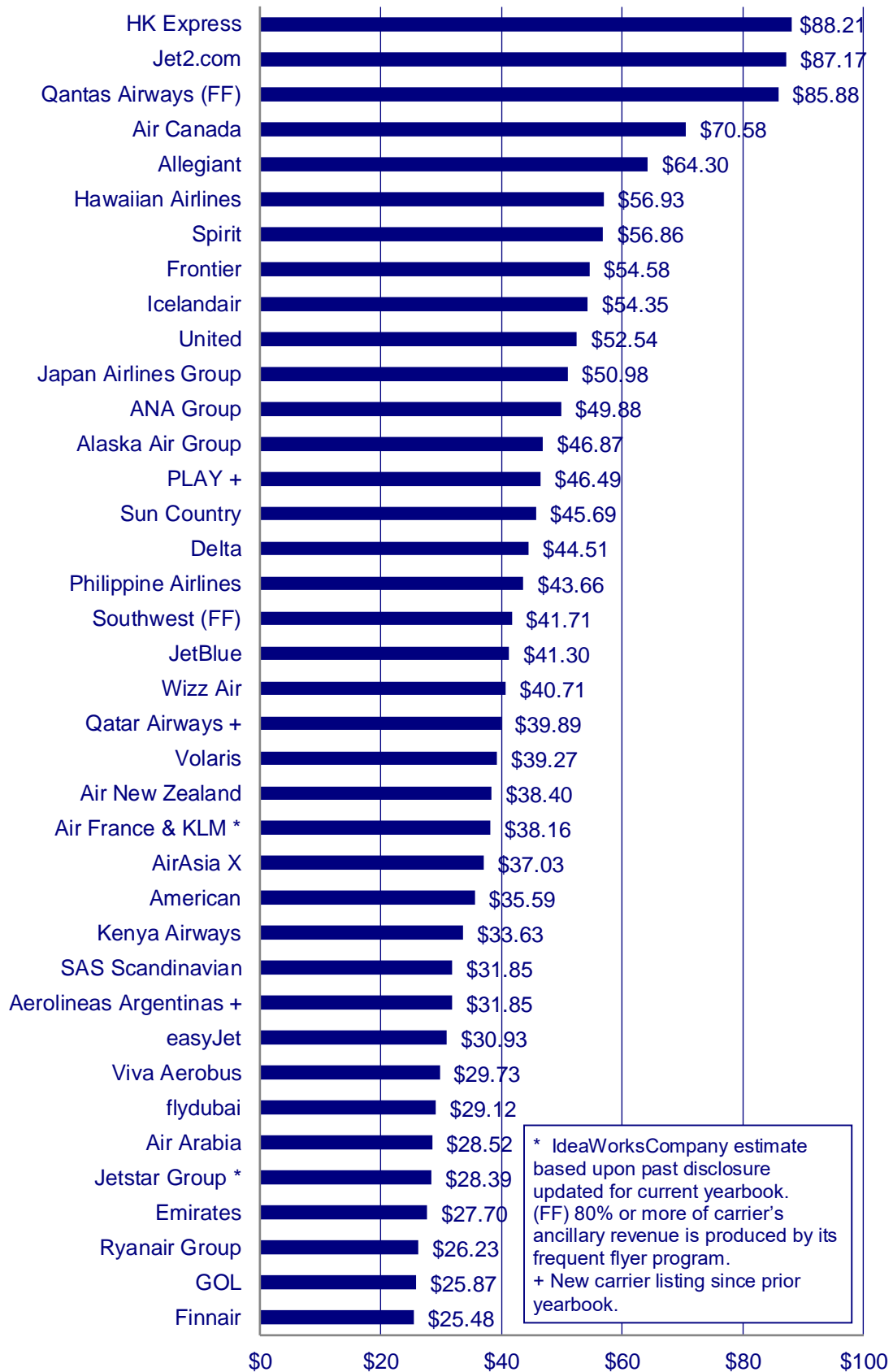
Ancillary Revenue as a % of Total Revenue - 2021

Airlines ranked 39 through 75



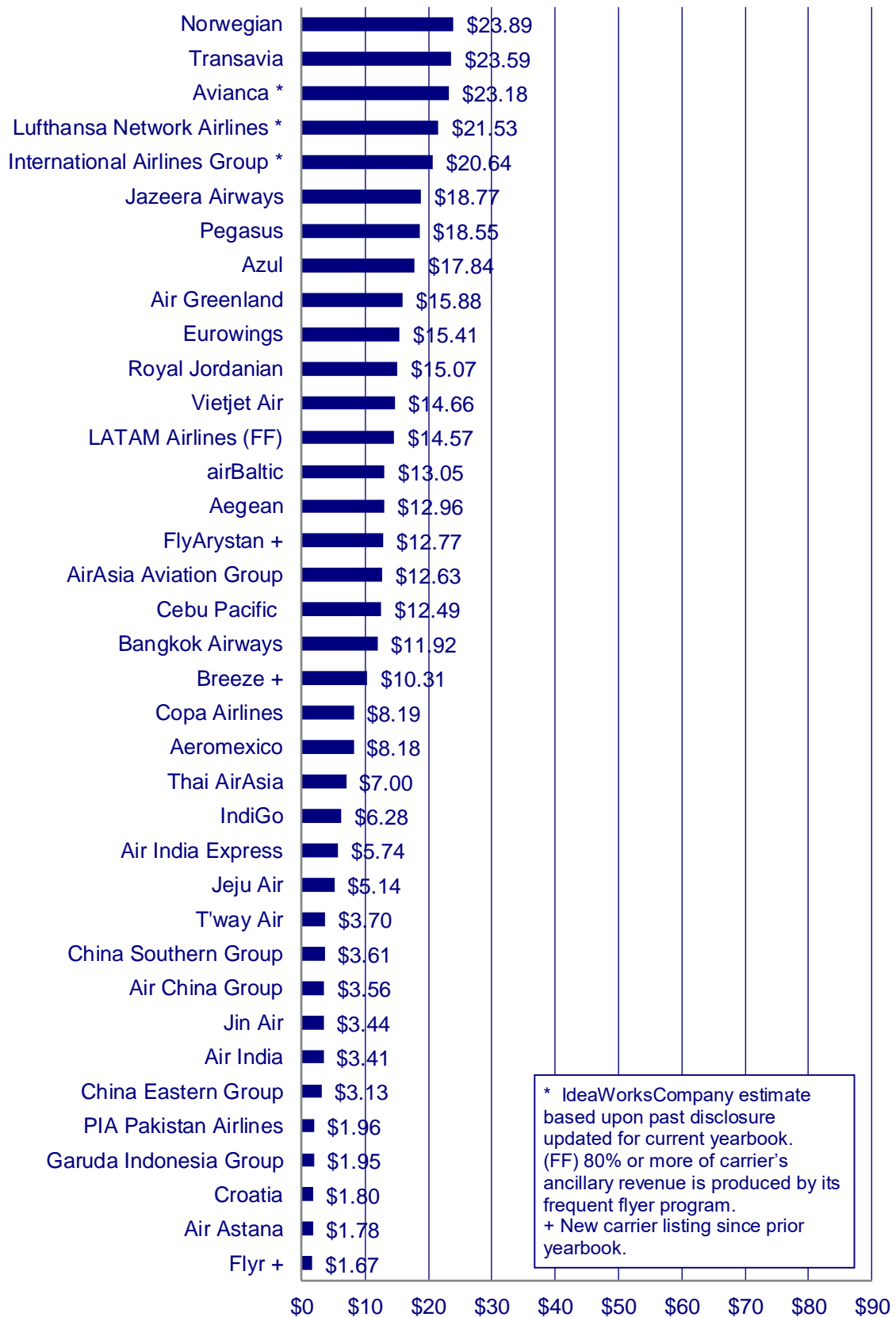
Ancillary Revenue in US\$ per Passenger - 2021

Airlines ranked 1 through 38



Ancillary Revenue in US\$ per Passenger - 2021

Airlines ranked 39 through 75



A portrait of Jay Sorensen, a middle-aged man with short, graying hair, smiling. He is wearing a dark gray V-neck sweater over a light blue and white checkered shirt. The background is a dark, textured wall.

Chief Revenue Officer

Jay Sorensen's consulting work, research, and reports have made him the **leading authority** on ancillary revenue, a la carte pricing, loyalty marketing, and airline retail.

Jay has the hands-on-experience of 13 years as an airline executive and the innovative spirit of 25 years as an industry consultant. Since 1996 IdeaWorksCompany has helped 70 client companies including airlines, loyalty programs, passenger railroads, and hotel brands. Jay has presented on-site workshops in Europe, the Middle East, South America, Asia, and North America, and has issued 96 reports, 15 yearbooks of ancillary revenue, and more than 20 other publications on frequent flyer programs and travel industry statistics.

IdeaWorksCompany clients do better.

CONTACT JAY SORENSEN FOR MORE INFORMATION

Jay "at" IdeaWorksCompany.com

Visit IdeaWorksCompany.com to view our research and list of clients.



Europe

Aegean

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$93,257,317
As a % of Revenue	11.7%
Dollars per Passenger	\$12.96
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$800,094,563
Passengers	7,194,000
Information Source	Annual Financial Report for 2021 and corporate presentation dated March 2022
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in euros. • The company defined ancillary revenue to include baggage fees, reissuing tickets fees, “fast track” and “chargeable seat” services, and other similar activities. • The company’s annual report disclosed “Other operating income related to flights.” The 2019 amount was €131,561,200 which was very close to the ancillary revenue disclosure for the year (€130,800,000). Accordingly, the amount disclosed for 2021 of <u>€78,653,250</u> is assumed to represent Aegean’s ancillary revenue for the year. • The airline has these ancillary revenue activities: <ul style="list-style-type: none"> – Booking for car hire, hotel, airport parking, airport transfers, ferry tickets, travel packages, and tours/activities (Get Your Guide). – Checked baggage. – Extra leg room, up front, and standard seat assignment. – Fast track at 7 airports. – Hold my booking. – Miles+Bonus co-branded credit cards. – Travel insurance. • The airline introduced the following ancillary revenue related services during 2021: <ul style="list-style-type: none"> – New Business Lounge at “Macedonia” airport, Thessaloniki. The brand new business lounge opened its doors for passengers at the end of September. – New credit cards Aegean Bonus Visa in cooperation with Alpha Bank. – New Aegean MasterCard credit cards in cooperation with the Bank of Cyprus. • Aegean revenue for 2021: €674,800,000.

Historical Ancillary Revenue	
2018	\$146,033,211
2019	\$156,066,447
2020	\$66,888,033
2021	\$800,094,563
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

Air France & KLM

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,368,270,785 (estimate based upon company guidance)
As a % of Revenue	8.7%
Dollars per Passenger	\$38.16
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$15,667,530,456
Passengers	35,855,000
Information Source	Results Presentation Full Year 2021, Registration Document 2021 and company guidance, and 17 February 2022 annual results press release
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • These results apply to Air France and KLM; Transavia results are listed separately. • Air France/KLM made meaningful ancillary revenue disclosures in its 2017 financial documents. In addition, while not confirming the exact level of ancillary revenue for 2021, the company provided guidance to IdeaWorksCompany for the calculations described below. • Air France/KLM has described for earlier financial periods “paid options” as the following: <ul style="list-style-type: none"> – A la carte meals. – Additional allowance for checked bags (in advance or at the airport). – Lounge access. – Personalized services at the airport. – Ticket bundles with seats, for example, bundle with extra legroom at booking, and “paid empty seat,” allowing customers to block an empty seat next to them or even a full row. – “Time to think” option to hold a fare. – Travel insurance, car rentals, hotel bookings, city tours, and city transfers. – UM (unaccompanied minor) option for teens.

- Upgrades paid just before departure.
- Various seating options in the economy and premium economy cabins.
- Wifi onboard.
- The company seeks to achieve a 7% to 8% operating margin by 2024. The following were listed as activities generating new revenue of €400 million:
 - Implement Flying Blue Pay program.
 - Increase loyalty program partners.
 - Introduce more innovation through personalization and ancillaries.
- The company disclosed other sales in its 2021 Registration Document of €733 million. Air France/KLM advised IdeaWorksCompany a large portion of this activity largely qualifies as ancillary revenue. Based upon company guidance, IdeaWorksCompany estimates the qualifying component is approximately 80% (€586 million).
- Flying Blue, the loyalty program of Air France/KLM, disclosed on the Air France/KLM profile page it has 15 million members (viewed May 2022). Air France/KLM does not disclose revenue produced by the program, notably from the sale of miles to partners, such as card-issuing banks. SAS Eurobonus, as a Europe-based program, was found to generate revenue of approximately €13 per member in 2021 (significantly decreased for 2021). Applying this statistic to Flying Blue's membership base of 15 million generates a conservative sales revenue estimate of €195 million.
- Transavia is the group's low cost carrier within Europe. Estimated ancillary revenue for 2021 is approximately €175 million (refer to Transavia listing). This amount is deducted from the group's results.
- The group undertook the following revenue related activities during 2021:
 - Air France continues to expand its Connect internet service. Messages can be sent free of charge. The Surf pass for internet and email access costs €3 to €18 to surf the internet. The Stream pass costs €10 to €30 for broadband access (rates vary by flight length). At the end of 2021, 90% of the Air France fleet was connected.
 - Air France introduced paid seat assignment to long haul Premium Economy and ticket bundles with seats (such as extra legroom and paid empty seat).

- Flying Blue members may buy commercial tickets and ancillaries and pay with “cash and miles.”
- Key figures for Air France/KLM digital marketing activities:
 - More than 50% of incoming Air France – KLM customer conversations are assisted by a chatbot, with around 20% for Air France and 13% for KLM being fully handled by chatbots.
 - 280 million visits (metric = number of sessions) to AF.com and KLM.com, of which 53% were on mobile devices (i.e. mobile phones and tablets). Period: December 2020-November 2021.
 - 46.5% of all tickets were sold direct online. Period: January-November 2021, +11 pts vs the same period in 2019.
 - 1.7 million active users every month on mobile applications. Period: December 2020-November 2021.
- Air France digital marketing campaigns, emails and social media for 2021:
 - 500+ cross-channel campaigns executed worldwide.
 - 52.4 million customer emails sent.
 - 54% customer lifecycle email open rate (unsubscribe rate of 0.10%).
 - 10.6 million fans and followers worldwide on the various social media platforms.
- KLM digital marketing campaigns, emails and social media for 2021:
 - 400+ cross-channel campaigns executed worldwide.
 - 18.4 million customer lifecycle emails sent.
 - 53% customer lifecycle email open rate.
 - 18.5 million fans and followers worldwide on the various social media platforms.
- Total ancillary revenue for Air France and KLM is estimated to be €1,154,000,000 and is based upon the following items:
 - €548 million assumed for paid options activity.
 - €586 million adjusted other sales.
 - €195 million estimated Flying Blue sales.
 - Less €175 million of Transavia ancillary revenue.
- The Air France/KLM Group carried 44,699,000 passengers. Individual unit traffic was:
 - Air France: 21,816,000 passengers.
 - KLM: 14,039,000 passengers.
 - Transavia: 8,814,000 passengers.
 Combined Air France and KLM: 35,855,000 (without Transavia).

	<ul style="list-style-type: none"> Air France/KLM Group revenue for 2021 was €14,315,000,000; deducting Transavia revenue of €1,101,000,000 leaves a result for Air France and KLM of €13,214,000,000. The group disclosed the following segment results: <ul style="list-style-type: none"> Air France: €8,744,000,000. KLM: €6,065,000,000. Please note the above total is larger than the group result disclosed. This is likely due to double reporting of some shared activity between the segments. 2018 – 2020 commentary (see data below): 2018 results were for the entire Air France/KLM Group, which represents more traffic and revenue activity than just Air France and KLM Airlines. 2019 - 2021 excludes subsidiary carriers such as Transavia.
Historical Ancillary Revenue	
2018	\$2,579,438,796 (Air France/KLM Group)
2019	\$1,712,952,448 (Air France/KLM)
2020	\$1,262,249,758 (Air France/KLM)
2021	\$1,368,270,785 (Air France/KLM)
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Air Greenland

Source and Type	Tour and sightseeing activities sold to passengers
Ancillary Revenue	\$4,906,989
As a % of Revenue	2.5%
Dollars per Passenger	\$15.88
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$199,516,336
Passengers	309,000
Information Source	Annual Report 2021 for Air Greenland
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures are in Danish kroner (DKK). Air Greenland is the principal airline of Greenland and generates ancillary revenue from hotel (Hotel Arctic) and tour operations (Greenland Travel). During 2021, together with the rest of the tourism industry in Greenland, the airline succeeded in attracting more tourists during the low seasons (shoulder seasons such as fall and winter), when it made extra effort to market the Northern Lights,

	<p>overnight stays in its igloo lodges in Ilulissat, dog sledding, the ice fjords and New Year trips.</p> <ul style="list-style-type: none"> Greenland Travel purchased the World of Greenland business in 2021. This added the following accommodations: Glacier Lodge Eqi north of Ilulissat, Ilimanaq Lodge south of Ilulissat and Iglo Lodge. In addition, the company is developing a new lodge project, Nuuk Icefjord Lodge in Nuuk Fjord. Air Greenland disclosed “other revenue” of <u>DKK 30,775,000</u> which is likely attributed to revenue produced by its wholly owned hotel and tour operations. The airline is the primary method of transportation to the country, which suggests its passengers are the principal customers of Greenland Travel and Hotel Arctic. Air Greenland revenue for 2021: DKK 1,251,300,000.
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Historical Ancillary Revenue	
2018	\$10,241,519
2019	\$9,166,763
2020	\$3,864,225
2021	\$4,906,989
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

airBaltic

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$21,244,953
As a % of Revenue	9.2%
Dollars per Passenger	\$13.05
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$229,712,982
Passengers	1,628,000
Information Source	Air Baltic Corporation Sustainability and Annual Report for the Year Ended 31 December 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures are in euros. Activity for Air Baltic Group includes Air Baltic Corporation (airline), loyalty services (airBaltic Club FFP), and cargo, crew training, and pilot services. The Republic of Latvia owns 96.14% of the company. Ancillary revenue includes sale of ticket related services, like advance seat reservations, baggage fees as well as different service fees, and income on

	<p>inflight service. Total ancillary revenue was <u>€17,918,000</u>.</p> <ul style="list-style-type: none"> • The annual report made significant disclosures for airBaltic's distribution activity: <ul style="list-style-type: none"> – Mobile is the main device generating traffic to airBaltic.com with 60.49% share. – AirBaltic.com accounts for 63.8% (+0.8 points vs 2020) of all airBaltic flight bookings. 72% of bookings are made on personal computers, while 28% (-3 points vs 2020) on mobile phones and tablets. – In 2021, 13% of all flight bookings came from the company-owned direct media channels, from which the biggest share was emails, with more than 80,000 booked flight segments. – At the end of 2021, the airBaltic newsletter subscriber database contained 467,118 active subscribers (+9% vs end of 2020). – For 2021, 7% of bookings on the company's website came from a metasearch engine. In total, metasearch partners brought more than 65,000 booked flight segments to airBaltic. • The airBaltic Club has 599,400 members (early 2022) which represents a significant decrease from 2021 membership of 2,360,000 members. The program is now operated by the airline. The prior operator, Loyalty Services SIA, has been closed and liquidated. Revenue from the loyalty program for 2021 was €222,0000. • AirBaltic revenue for 2021: €193,740,000 (described as Contracts with Customers).
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Historical Ancillary Revenue	
2018	<i>No data</i>
2019	\$39,223,784
2020	\$13,363,408
2021	\$21,244,953
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Croatia Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,416,807
As a % of Revenue	1.0%
Dollars per Passenger	\$1.80

Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$141,110,581
Passengers	788,000
Information Source	Annual Report for the Year Ended 31 December 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Croatian kuna (HRK). • Croatia Airlines disclosed ancillary revenue of <u>HRK 8,946,000</u> from the following ancillary revenue activities: <ul style="list-style-type: none"> – Mileage related revenue (frequent flyer): HRK 2,668,000. – Revenue from advertising services: HRK 6,278,000. • Croatia Airlines revenue for 2021: HRK 891,000,000. • 2018 commentary (see data below): 2018 mileage related revenue was significantly above 2019.
Historical Ancillary Revenue	
2018	\$3,494,322
2019	\$2,463,712
2020	\$1,813,991
2021	\$1,416,807
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

easyJet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$631,042,418
As a % of Revenue	31.4%
Dollars per Passenger	\$30.93
Financial Period	Fiscal year ended 30 September 2021
Total Revenue	\$2,008,864,293
Passengers	20,400,000
Information Source	Annual Report and Accounts 2021 and Results and Presentation for the Year Ending 30 September 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Great Britain pounds (£). • Ancillary revenue was <u>£458,000,000</u> (2020: £706 million). This reflected the reduction in passenger volumes during FY 2021. • FY 2021 was a busy year for ancillary revenue activity with the following introductions:

- Standard Plus Fare (January 2021) includes premium seat, large cabin bag, speedy boarding.
- Cabin Bags, Phase 1 (February 2021) sold with premium seat.
- Cabin Bags, Phase 2 (November 2021) addition of cabin bag as a standalone product.
- Leisure Fare, Essentials (November 2021) includes standard seat and 23kg checked bag. This activity generated incremental revenue of £2.64 per seat.
- The airline shared these additional ancillary revenue developments for FY 2021:
 - Baggage bundles exceeded expectations and benefitted from strong revenue management focus.
 - The airline will seek to improve revenue from inflight retail as a focus area for 2022.
 - Dynamic pricing of ancillary revenue products was implemented, which the airline says was an industry first.
- Ancillary revenue includes revenue from checked baggage, allocated seating and change fees, package holidays revenue (excluding flights which are recognized as passenger revenue) and commissions earned from services sold on behalf of partners, and inflight sales. It is measured as the price paid by the customer for the service booked.
- EasyJet introduced easyJet Holidays at the end of 2019. The airline disclosed the following results from FY 2021:
 - Fastest growing package company in Europe.
 - On track to achieve profits before taxes of £100 million.
 - 63% of hotel bookings are directly contracted properties (not through a 3rd party).
 - More than 50% are made via mobile.
 - Predicted FY 2022 customers are just under 1 million.
 - 75% of bookings are through direct channels (no commissions).
- The following information was shared during easyJet's 2021 investor calls:
 - Ancillary revenue on a per-seat basis increased during 2021, led by a new baggage policy with fees for large carry-on bags (introduced February 2021) and the introduction of the Standard Plus fare.
 - Johan Lundgren, CEO: He called the new carry-on bag policy "the kind of dream activity you're

	<p>looking for” which has also “increased customer satisfaction.” Switching to a fee for large carry-ons reduced flight disruptions caused by the need to offload cabin bags. That flight disruption factor decreased to 1.4% from 13% of flights. Airport handling agents receive incentive payment based upon baggage fee collection.</p> <ul style="list-style-type: none"> – 40% of easyJet Holidays customers are referred from the easyJet.com website, which offers a very low acquisition cost. • Revenue for the fiscal year ended 30 September 2021 was £1,458,000,000.
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Historical Ancillary Revenue	
2018	\$1,597,900,258
2019	\$1,739,009,148
2020	\$880,788,206
2021	\$631,042,418
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Eurowings

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$120,104,296
As a % of Revenue	12.3%
Dollars per Passenger	\$15.41
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$974,626,157
Passengers	7,792,000
Information Source	Lufthansa Group Annual Report 2021, Investor Presentation 3 rd Quarter 2021 Results, and Investor Presentation January 2022
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • The Eurowings business segment includes the flight operations of Eurowings and Eurowings Europe, as well as the equity investment in SunExpress. The segment does not include Eurowings Discover. With Eurowings, the Lufthansa Group has a product for price-sensitive and service-oriented customers in the growing European direct traffic segment. • Eurowings generates ancillary revenue from the following activities: <ul style="list-style-type: none"> – 2 cabin bags & priority boarding starting at €10 (€6 in 2020).

	<ul style="list-style-type: none"> – Branded fares: Basic, Smart, and Best. – Buy-on-board café. – Checked baggage. – Empty middle seat, starting at €10. – Hotel and car bookings. – Onboard shop. – Trip insurance. <ul style="list-style-type: none"> • As of 2021, Eurowings passengers can book an empty middle seat on all flights in advance. • Ancillary revenue for Eurowings was disclosed as €9 per passenger for 2019, and forecast as €13 for 2021 (January 2022 investor presentation). Accordingly, the €13 rate generates ancillary revenue of <u>€101,296,000</u>. • Eurowings 2021 revenue is €822,000,000. • 2019 - 2020 commentary (see data below): 2019 results for Eurowings include Brussels Airlines. For 2020 the results for Brussels Airlines are included under the Lufthansa Network Airlines listing.
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Historical Ancillary Revenue	
2018	<i>No data</i>
2019	\$316,585,271
2020	\$81,466,343
2021	\$120,104,296
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Finnair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$72,681,975
As a % of Revenue	14.6%
Dollars per Passenger	\$25.48
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$498,932,709
Passengers	2,852,300
Information Source	Finnair Group Annual Report 2021, Financial Information 2021, and 4 th Quarter 2021 presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Finnair generates ancillary revenue from these activities: <ul style="list-style-type: none"> – Advance seat selection. – Destination extras. – Economy comfort in long-haul.

	<ul style="list-style-type: none"> – Extra baggage fees. – Holiday packages. – Sky Bistro in short-haul economy. – Travel retail (merchandise). – Upgrade options. <ul style="list-style-type: none"> • Finnair’s disclosed ancillary revenue for 2021 was €44.1 million. Ancillary revenue consisting of various service fees and inflight sales decreased due to the impact of Covid. Excess baggage and the frequent flyer program were the largest ancillary categories. • The airline disclosed these 2021 marketing statistics: <ul style="list-style-type: none"> – Unique visitors to the Finnair website were 1.1 million. – The number of active users of the Finnair mobile application grew by 74.1% to 326,000 from 2020. – Direct sales in Finnair’s digital channels increased to 51.0% (2020: 40.7%) of all tickets sold. – In 2021, Finnair changed its pricing structure by introducing one-way ticket fares for all its flights within Europe and a completely new Business Light ticket. • As of year-end, the Finnair Plus program had 3.5 million members. • The airline also operates a tour business (Aurinkomatkat and Finnair Holidays) which generates ancillary revenue. Revenue from “travel services” was €38,700,000 and expenses for “tour operations” were €21,500,000 for 2021. This yields net income of €17,200,000, which qualifies as ancillary revenue. Due to Covid-19, the sale of Aurinkomatkat travel packages was low and focused on domestic trips. • Total ancillary revenue for Finnair for 2021 was <u>€61,300,000</u> and consisted of these components: <ul style="list-style-type: none"> – Disclosed ancillary revenue: €44,100,000. – Tour income: €17,200,000. • Finnair revenue for 2021: €420,800,000.
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Historical Ancillary Revenue	
2018	\$319,036,651
2019	\$322,690,844
2020	\$107,645,920
2021	\$72,681,975
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

Flyr

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$459,467
As a % of Revenue	3.1%
Dollars per Passenger	\$1.67
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$14,612,332
Passengers	275,900
Information Source	Flyr Annual Report 2021, Financial Update dated 05 May 2022, and Traffic Figures December 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Norwegian kroner (NOK). • The airline began operations 30 June 2021 with an Oslo, Norway hub. • Flyr generates ancillary revenue from these activities: <ul style="list-style-type: none"> – Advance seat selection (empty middle seat, front of cabin, extra leg room, aft cabin). – Branded fares (Mini, Smart, Fleks). – Checked baggage. – Fast track screening. – Large carry-on (max. 10 kg). Mini fare does not include large carry-on; Smart and Fleks include large carry-on. – Onboard café (coffee, tea, and water are free). • Flyr has “Too Good To Go” concept where it offers fresh food from our flights at a 50% reduced price on afternoon flights. The airline aims to introduce a pre-booking option for all fresh food onboard. • Flyr+ is the frequent flyer program and was introduced March 2022 and has 90,000 members as of May 2022. • Total ancillary revenue for Flyr for 2021 was <u>NOK 3,960,000</u> and includes the sale of ticket related services, such as advance seat reservations, additional baggage fees as well as different service fees, and sale of goods in the aircraft. • Flyr revenue for 2021: NOK 125,939,000.
Historical Ancillary Revenue	
2018	<i>No data – began operations 2021</i>
2019	<i>No data – began operations 2021</i>
2020	<i>No data – began operations 2021</i>
2021	\$459,467 (partial year)
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Icelandair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$79,426,000
As a % of Revenue	13.6%
Dollars per Passenger	\$54.35
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$584,913,000
Passengers	1,461,446
Information Source	Icelandair Group Annual Report 2021 and Consolidated Financial Statements for the year 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in US dollars. • Icelandair's disclosed "passenger ancillary revenue" for 2021 was \$32,697,000 which is likely flight-related a la carte activity. Total ancillary revenue is calculated based upon the following disclosures: <ul style="list-style-type: none"> – Passenger ancillary revenue: \$32,697,000. – Sales at airports and hotels: \$4,763,000. – Revenue from tourism: \$41,966,000. The above equals total ancillary revenue of <u>\$79,426,000</u>. • The group no longer has an ownership share in Icelandair Hotels; as of the end of 2021, the brand will be retired. In addition, Iceland Travel has been sold. The group's sole tourism activity is the VITA brand for outbound travel. • The airline disclosed the type of passengers carried during the year: <ul style="list-style-type: none"> – Tourists traveling to Iceland: 47%. – Passengers originating from Iceland: 14%. – Transit passengers between North America and Europe: 23%. – Domestic travel within Iceland: 15%. • Icelandair total operating income for 2021: \$584,913,000.
Historical Ancillary Revenue	
2018	\$87,462,000
2019	\$96,090,000
2020	\$52,652,000
2021	\$79,426,000
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

International Airlines Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$801,991,645
As a % of Revenue	8.0%
Dollars per Passenger	\$20.64
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$10,024,895,566
Passengers	38,864,000
Information Source	IAG Annual Reports of Accounts 2021, IAG Results Presentation Full Year 2021, and Capital Markets Day 08 November 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in euros (except as noted). International Airlines Group consists of the following operating airlines: <ul style="list-style-type: none"> Aer Lingus – hybrid (network and LCC). British Airways - global network carrier. Iberia - global network carrier. LEVEL - low cost carrier. Vueling - low cost carrier. <p>Some of the individual operating airlines have separately disclosed ancillary revenue in prior years, but this is no longer done.</p> The 2019 Capital Markets Day presentation provided a pie chart of revenue categories for the group. “Other Passenger Revenue” appears to qualify as ancillary revenue. The 2019 income statement included this activity under passenger revenue, which indicates it is not composed of separately disclosed activity such as air cargo and services provided to other carriers (aircraft maintenance, ground handling, and catering). This revenue share of 6.7% is consistent with other global network carriers in Europe, such as Lufthansa Group and Air France/KLM. This 6.7% rate will be increased to 8% for 2021. Generally, the percentage increased for airlines during the pandemic, and Vueling's share of group revenue and traffic (as a low cost carrier) increased significantly during the pandemic. IAG did not disclose its Other Passenger Revenue for 2021. Multiplying 8% by IAG revenue of €8,455,000,000 generates approximate ancillary revenue of <u>€676,400,000</u>. Revenue by operating airline: <ul style="list-style-type: none"> Aer Lingus: €377,000,000.

	<ul style="list-style-type: none"> – British Airways: £3,694,000,000 (€4,293,000,000 at 01 July 2021 exchange rate). – Iberia: €2,784,000,000. – Vueling: €1,016,000,000. <p>The above totals €8,470,000,000. Pure low cost operations (Vueling) represent approximately 12% (2020: 7.4%). LEVEL results were not disclosed.</p> <ul style="list-style-type: none"> • IAG will be placed in the traditional airline category for revenue assignment purposes, as the vast majority of revenue is generated through this activity. • Traffic by operating airline: <ul style="list-style-type: none"> – Aer Lingus: 2,025,000 (traditional airline/LCC). – British Airways: 10,347,000 (traditional airline). – Iberia: 10,588,000 (traditional airline). – LEVEL: 93,000 (LCC). – Vueling: 15,811,000 (LCC). <p>The above totals 38,864,000. Pure low cost operations (LEVEL and Vueling) represent 41% of the total (2020: 32%).</p> • IAG Loyalty, the loyalty platform for the group disclosed the following information: <ul style="list-style-type: none"> – During 2021, Avios members accrued 54 billion Avios points; of these, 77% were generated through partner (non-airline) transactions. – The global Avios platform has 38 million customer accounts. – The unit has an operating margin of 22-24%. – The loyalty segment expanded its partnership portfolio by successfully launching new agreements with Barclays Premier, Sainsbury's/Nectar, Santander and BP, as well as a new co-branded credit card with Vueling and CaixaBank in Spain. – IAG Loyalty announced a new agreement with Qatar Airways that will see Avios adopted as the currency of the Privilege Club, Qatar Airways' loyalty program. • IAG revenue for 2021: €8,455,000,000.
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Historical Ancillary Revenue	
2018	\$1,701,544,393
2019	\$1,932,190,010
2020	\$588,902,005
2021	\$801,991,645
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

Jet2.com

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$422,776,100
As a % of Revenue	24.9%
Dollars per Passenger	\$87.17
Financial Period	12-month period ended 31 March 2022
Total Revenue	\$1,697,063,203
Passengers	4,850,000
Information Source	Jet2 Preliminary Results 2022
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Great Britain pounds (£). • Jet2.com flew 4.85 million overall sector passengers. Of these, 51% were package passengers (these were represented by 1.29 million package customers). • Jet2.com is a UK-based airline owned by Jet2 plc. The company now reports airline and holiday package operations under a single leisure travel category. Calculating ancillary revenue based upon the company's limited disclosures is a difficult task and requires assumptions. There are two components calculated to accomplish this: <ul style="list-style-type: none"> – Non-ticket revenue is equivalent to ancillary revenue. This is calculated for all passengers. This revenue stream includes pre-departure sales (principally checked bags and advance seat assignment), and inflight sales (pre-ordered meals, drinks, snacks, cosmetics and perfumes). – Net package revenue represents the margin which remains after hotel accommodations and the flight yield (doubled for roundtrip) is subtracted from the average package price. The assumed margin is 18% of the package price. This was calculated using an average package price of £689 less these items: 1) accommodation cost of £367, 2) roundtrip flight-only revenue of £136, and 3) removal of double counting of non-ticket retail revenue of £60 (these figures were disclosed by the company). The residual amount is £126, which equals a margin of 18.2%. Average accommodation cost is calculated from: £473.5 million divided by 1.29 million packages sold = £367 average per package. • The UK consumer rating organization called "Which?" has designated Jet2.com, Jet2holidays and Jet2CityBreaks as recommended providers.

	<ul style="list-style-type: none"> The company notes, “Overall demand for our leisure travel products has continued to strengthen, but with customers booking a little later than normal. Pleasingly, over 35% of our summer 2022 bookings are from completely new customers to Jet2. Non-Ticket Retail Revenue per passenger sector grew by 4% to £30.28 (2021: £29.10) due to an increased take-up of advance seat assignment and hold baggage. In-flight retail service performed strongly, in part assisted by changes to passenger duty-free allowances that came into effect from 1 January 2021, and the limited opening of retail outlets at many airport bases. Total non-ticket (ancillary revenue) for FY 2022 was £146,858,000 (£30.28 x 4,850,000 leisure travel sectors). Total ancillary revenue for FY 2022: <u>£306,843,800</u> from these sources: <ul style="list-style-type: none"> Non-ticket revenue: £146,858,000. Net package revenue: £159,985,800 (£689 average package price x 18% margin x 1,290,000 customers). Operating revenue for FY 2022: £1,231,700,000. FY 2019 - 2021 commentary (see data below): Jet2.com changed how it reports ancillary revenue for FY 2020; the earlier method disclosed more revenue from package-related sales. IdeaWorksCompany changed how ancillary revenue is calculated for Jet2.com for FY 2021 to better reflect its status as a leading ancillary revenue performer.
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Historical Ancillary Revenue	
FY 2019	\$455,777,938
FY 2020	\$397,567,621
FY 2021	\$110,330,575
FY 2022	\$422,776,100
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

Lufthansa Network Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$843,016,055
As a % of Revenue	8.5%
Dollars per Passenger	\$21.53
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$9,931,227,115

Passengers	39,157,000
Information Source	Lufthansa Group Annual Report 2021, Financial Statements 2021 and 2021 Results investor presentation dated 03 March 2022
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • The Network Airlines segment comprises Lufthansa German Airlines (includes Lufthansa CityLine and Air Dolomiti), SWISS, Austrian Airlines, Brussels Airlines, Edelweiss Air., and Eurowings Discover (new holiday airline). The Eurowings business segment includes the flight operations of Eurowings and Eurowings Europe, as well as the equity investment in SunExpress. • Eurowings Discover is confusingly not included in the Eurowings segment, but rather in the Network Airlines segment. It's a holiday airline operating short-, medium-, and long-haul routes, and is fully integrated as a feeder for Lufthansa. • The percentage of direct distribution (not through travel agencies) continues to increase: <ul style="list-style-type: none"> – 2013: 30%. – 2018: 45%. – 2019: More than 50%. – 2024: Target of 75%. • Carsten Spohr, CEO of Lufthansa Group, disclosed that ancillary revenues account for around 8% of traffic revenues during an investor relations presentation in late 2018. This disclosure provided the basis for the Lufthansa listing in the 2019-2021 yearbooks. • This statistic has been increased to 8.5% for 2021 due to other airline benchmarks and the general increase of ancillary revenue rates during the pandemic. Lufthansa Network Airlines ancillary revenue for 2021 is <u>€711,000,000</u> (8.5% x €8,376,000,000). • These ancillary revenue services were introduced during 2021: <ul style="list-style-type: none"> – Lufthansa, SWISS, and Austrian launched a la carte food service for short-haul flights in May 2021, and offer economy class customers a high-quality range of fresh meals, snacks and drinks for purchase. – Lufthansa Sleepers Row was introduced for long-haul flights. Guests have the opportunity to book a Sleepers Row at an additional charge for over 30 routes. It offers a full seating row of 3 seats, including preferential boarding, a comfortable

	<p>mattress cover, a blanket and a pillow of business class quality.</p> <ul style="list-style-type: none"> – SWISS premium economy class was announced and went into service in early 2022. More catering choices are offered and the baggage allotment is doubled. – Austrian expanded the size of its premium economy cabin on long-haul routes. <ul style="list-style-type: none"> • Lufthansa Group last disclosed ancillary revenue in a 2019 investor presentation of €585 million. This was believed to include specific a la carte items such as onboard café, paid seat assignment, and onboard retail merchandise. The group also generates substantial revenue from the branded fares (Economy Light, Classic, and Flex) which are universally offered across all airline brands. The Classic and Flex fares are priced at a premium over the basic fare, and this represents a source of ancillary revenue. • The group disclosed June 2021 (“Accelerating our Transformation” presentation) Miles & More membership of 35 million. • Income (not revenue) for Miles & More fell during 2021 to €55 million from €94 million for 2020. • Lufthansa Group reported for 2021 €11,876,000,000 in traffic revenue and 46,949,000 passengers, which includes the following total revenue and traffic components: <ul style="list-style-type: none"> – Network airlines (Lufthansa, SWISS, Austrian, and Brussels): €8,376,000,000 (39,157,000 passengers). – Eurowings Segment: €822,000,000 revenue and 7,792,000 passengers. – Austrian: €743,000,000 revenue and 5,008,000 passengers. – Lufthansa: €5,061,000,000 revenue and 23,544,000 passengers. – SWISS: €2,098,000,000 revenue and 7,133,000 passengers. – Brussels: €560,000,000 revenue and 3,479,000 passengers.
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Historical Ancillary Revenue	
2018	\$2,628,328,912 (Lufthansa Group)
2019	\$1,934,516,912 Lufthansa Network Airlines)
2020	\$763,880,674 (Lufthansa Network Airlines)
2021	\$843,016,055 (Lufthansa Network Airlines)

Source: current and prior year editions of the Yearbook of Ancillary Revenue.

Norwegian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$148,120,149
As a % of Revenue	25.2%
Dollars per Passenger	\$23.89
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$588,001,951
Passengers	6,200,000
Information Source	Norwegian Air Shuttle Annual Report 2021, Investor Presentation – December 2021, and Norwegian Finans Holding Group 2021 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Norway kroner (NOK). • Results for Norwegian Air Shuttle ASA (the group) consist of Norwegian Air Shuttle ASA and its subsidiaries. • Notable events during 2021: <ul style="list-style-type: none"> – January: Norwegian announced a new business plan focusing on profitable key European destinations and the discontinuation of all long-haul services. – May: the company emerged from financial restructuring with a significantly reduced total debt liability and a strong cash position. – November: The Norwegian Reward program returned to its pre-bankruptcy original form. • Ancillary revenue disclosed for 2021 was NOK 941,500,000. Ancillary revenue per passenger (as disclosed by Norwegian) decreased 32% to NOK 152 from NOK 223. Please refer to notes below for the adjustments made by IdeaWorksCompany. • Other business areas for the company are defined as: product management, loyalty & memberships, inflight retail, and digital channel development. Norwegian Brand Ltd., based at Dublin, Ireland, has the responsibility of developing and maintaining the Norwegian Group's brand across all business areas. • The airline disclosed Norwegian Reward membership by country: <ul style="list-style-type: none"> – Norway: 1,800,000 (2020: 2,215,000). – Sweden: 1,300,000 (2020: 1,500,000). – Denmark: 600,000 (2020: 800,000). – Finland: 600,000 (2020: 650,000). <p>35% of bookings are made by Reward members. The program has nearly 9 million members.</p>

- Bank Norwegian (Norwegian Finans Holding Group) no longer qualifies as a related party of Norwegian Air Shuttle, and financial transactions between the entities are no longer reported in the annual report. The airline once owned 20% of the bank, which issues the Bank Norwegian Visa card. Reviewing the financial filings for the bank reveals a co-branded credit card portfolio of 1,193,800 (2020: 1,255,700) cardholders. The bank's agreements with Norwegian Air Shuttle were renegotiated in the 2nd quarter of 2018 for a term of 10 years. During 2021, the bank made payments to Norwegian Air Shuttle as disclosed as commissions for credit card activity:
 - Quarter 1, 2022: NOK 97 million.
 - Quarter 2, 2022: NOK 81.8 million.
 - Quarter 3, 2022: NOK 79.3 million.
 - Quarter 4, 2022: NOK 77 million.
 The total for 2021 was NOK 335.1 million (2020: NOK 337.5 million), which represented expenses paid by the bank related to the credit card portfolio. All cardholders accrue Norwegian Cash Points from the airline. Norwegian Reward revenue is NOK 280.70 per co-branded card account, or approximately \$33. Credit card transactions were NOK 49 billion for 2021. Transactional cardholders (not carrying a balance) represented 99.5% of card spending. The bank disclosed cardholders by country:
 - Norway: 537,000.
 - Sweden: 394,000.
 - Denmark: 94,000.
 - Finland: 169,000.
 - Spain: 400.
 - Germany: 600.
 Total cardholders: 1,195,000.
- Norwegian defines ancillary revenue as “ticket-related products and services” such as revenue from baggage sales, seating, and premium upgrades.
- “Other revenue” comprises third party revenue, such as lease, cargo and revenue from business activities in subsidiaries which are not airlines.
- Norwegian's 2021 ancillary revenue was NOK 1,276,600,000 from these two sources:
 - Ancillary revenue: NOK 941,500,000.
 - Bank Norwegian Visa card: NOK 335,100,000.
- Total revenue was NOK 5,067,800,000 for 2021.

Historical Ancillary Revenue

2018	\$776,339,545
2019	\$822,666,007
2020	\$196,740,349
2021	\$148,120,149
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Pegasus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$373,933,017
As a % of Revenue	30.8%
Dollars per Passenger	\$18.55
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,214,829,282
Passengers	20,157,101
Information Source	Pegasus Annual Activity Report of the Board of Directors 01 January – 31 December 2021, Consolidated Financial Statements for calendar year 2021, 2021 Q4 results presentation, and information disclosed directly by the company
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Ancillary revenue was <u>€315,375,221</u> (€15.65 per passenger) for 2021, which represents a 31.3% decrease below 2019. • In 2021, per passenger revenue increased by the following amounts for the following categories compared to 2020: 1) excess baggage, 28%, 2) onboard food and beverage sales, 22%, 3) and seat assignment, 20%. • Pegasus offers a number of services ancillary to core air passenger services and generates revenue through the provision of these services, including: <ul style="list-style-type: none"> – Airport lounge. – Airport transfer. – Animal (pet) in cabin. – Assigned seating fees. – BolBol co-branded credit card. – Branded fares: Basic, Essentials, Advantage, Comfort Flex. – Buy-on-board café. – Car rental. – Excess baggage. – Fast track arrival or departure at Sabiha Gokcen Airport.

	<ul style="list-style-type: none"> - Hotel bookings and Airbnb. - Kepler Hotel at Sabiha Gokcen Airport (airside) with lounge/showers, private rest units, and rooms. - Onboard entertainment via mobile device. - Parking at airport. - Pegasus Flex product which allows unlimited reservation changes. - Pre-order and inflight sales of beverages and food. - Price freeze (hold the fare). - Travel insurance (including Covid-19 policies). <ul style="list-style-type: none"> • Ancillary revenue reached €17.62 per passenger in the 4th quarter of 2021 and this represents a record high for Pegasus. • In 2021, Pegasus continued to expand self-service capabilities by installing new Express Baggage kiosks at the Istanbul Airport (IGA), Izmir Adnan Menderes Airport (ADB) and Bodrum-Milas Airport (BJV). Express Baggage units are enhanced with features such as excess baggage fee payment, searching flights using passport, mobile phone number or Turkish ID number. • In 2021, the airline launched the Easy Seat Project, aiming to provide more flexibility to passengers in paid seat selection. Passengers are allowed to cancel their seat-selection purchases and make a new purchase, or purchase seats that are not covered by the fare package purchased. Seat selection also was made easier and more accessible. • Pegasus BolBol, the carrier's frequent flyer program, reached 6.7 million members during 2021 (company disclosure to IdeaWorksCompany). • All figures include scheduled and charter operations for the airline. • 2021 revenue for Pegasus was €1,024,587,390.
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Historical Ancillary Revenue	
2018	\$439,564,373
2019	\$518,973,712
2020	\$239,893,378
2021	\$373,933,017

Source: current and prior year editions of the Yearbook of Ancillary Revenue.

PLAY

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$4,700,000
As a % of Revenue	28.7%
Dollars per Passenger	\$46.49
Financial Period	June – December 2021
Total Revenue	\$16,400,000
Passengers	101,053
Information Source	PLAY Annual and Sustainability Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in US dollars. • PLAY launched as a new LCC June 2021 with a base in Iceland. • Ancillary revenue, which consists of fees charged for bags, seat assignments, inflight sales, and other service fees, amounted to <u>\$4,700,000</u> and represented 29% of PLAY's total revenue. Ancillary revenue per passenger was 47 USD, which was below management's expectations. This was in part due to PLAY's Covid-19 Flexibility Policy, which allowed customers to make changes to their flight without paying the standard change fee. PLAY did not start its cargo operations until after year-end 2021 and therefore reports no cargo revenue. • Traffic consisted of 48% travelers from Iceland, and 52% travelers to Iceland. • 2021 revenue for PLAY is \$16,400,000.
Historical Ancillary Revenue	
2018	<i>No data – began operations 2021</i>
2019	<i>No data – began operations 2021</i>
2020	<i>No data – began operations 2021</i>
2021	\$4,700,000 (partial year)
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Ryanair Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,547,307,585
As a % of Revenue	44.7%
Dollars per Passenger	\$26.23
Financial Period	Fiscal year ended 31 March 2022

Total Revenue	\$5,692,314,739
Passengers	97,100,000
Information Source	Ryanair Results for Ryanair Holdings Plc. for the period ended 31 March 2022, and Fiscal Year 2022 Ryanair Holdings PLC earnings video.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Ryanair Group includes the following carriers: Ryanair, Lauda, Buzz (Eastern Europe), and Malta Air. • Ryanair reports “customers” not passengers, which suggests the carrier includes consumers purchasing tickets who don’t fly. This would understate the carrier’s ancillary revenue results on a per passenger basis when compared to other airlines. • For FY 2022, ancillary revenue was <u>€2,148,400,000</u> and this represents a 258% increase above FY 2021. Priority boarding and assigned seating were strong performers. • Ryanair announced in July 2021 its Customer Advisory Panel, comprising seven customers from six European countries. Having received over 10,000 applicants from 16 countries across Europe, Ryanair’s seven successful candidates traveled to Dublin for the first of the Customer Advisory Panel meetings in September 2021, coming together to provide feedback and recommendations that will help Ryanair improve its guest services. • Ryanair FY 2022 revenue was €4,800,900,000.
Historical Ancillary Revenue	
FY 2019	\$2,801,536,938
FY 2020	\$3,311,255,802
FY 2021	\$675,376,811
FY 2022	\$2,547,307,585
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

SAS Scandinavian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$241,615,487
As a % of Revenue	14.8%
Dollars per Passenger	\$31.85
Financial Period	For the fiscal period ending 31 October 2021

Total Revenue	\$1,627,639,463
Passengers	7,585,000
Information Source	SAS Annual and Sustainability Report Fiscal Year 2020 Ended 31 October 2021 and presentation - Interim Report Q4 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Swedish kroner (SEK). • EuroBonus membership is described as being in excess of 6 million members. Reviewing a bar chart included in the FY 2020 annual report suggests the total is 6.7 million members. • SAS results include charter operations. • A bar chart included in the FY 2020 annual report suggests “attached revenue” for Eurobonus is SEK1.9 billion. This was virtually the same as the “other operating revenue” sub-category of SEK1.956 billion. The other operating revenue amount for FY 2021 is SEK 862,000,000 (significantly decreased for 2021). • The airline describes “Other traffic revenue” as including examples of ancillary revenue such as baggage and seat assignment fees. This category also includes revenue from unused (abandoned) tickets, which does not qualify as ancillary revenue. Sales produced by the EuroBonus frequent flyer program likewise are not included in this category. Other traffic revenue was disclosed to equal 11.6% of revenue, which is an a la carte revenue result somewhat above Scandinavian’s peer airlines. IdeaWorksCompany estimates 75% of other traffic revenue (SEK 1,613,000,000) qualifies as ancillary (SEK 1,210,000,000). • EuroBonus was spun off as a separate company under the group’s umbrella during FY 2020 as a method to increase ancillary revenue. EuroBonus automatically includes carbon offsets for all reward travel free of charge to the member. • During 2021, the company introduced SAS Go Light on the intra-Scandinavian markets with more attractive prices for customers who travel without baggage. • The airline expects, going forward, to have a larger percentage of leisure passengers. Before Covid, 30% of passenger trips were business, at present it’s 20% to 25%. • SAS offers the following shares of seat capacity for its home Scandinavian markets: <ul style="list-style-type: none"> – Denmark: 24%. – Norway: 45%.

	<ul style="list-style-type: none"> – Sweden: 31%. • Total ancillary revenue for FY 2021 was calculated to be <u>SEK 2,072,000,000</u> from these sources: <ul style="list-style-type: none"> – Other traffic revenue (adjusted): SEK 1,210,000,000. – EuroBonus: SEK 862,000,000 (SEK 128.65 per member). • Total group fiscal 2021 operating revenue was SEK 13,958,000,000. • FY 2018 – FY 2020 commentary (see data below): Revenue data for Eurobonus was not fully determined for FY 2018 and FY 2019. SAS EuroBonus disclosures for FY 2020 were very robust.
Historical Ancillary Revenue	
FY 2018	\$188,746,492
FY 2019	\$342,598,307
FY 2020	\$358,303,159
FY 2021	\$241,615,487
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Transavia

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$207,966,014
As a % of Revenue	15.9%
Dollars per Passenger	\$23.59
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,305,429,925
Passengers	8,814,000
Information Source	Air France KLM Universal Registration Document for 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Air France KLM Group operates Transavia units in France and the Netherlands. This is the group's low cost venture, which has the slogan, "We make low-cost feel good." • The group disclosed ancillary revenue was €305,000,000 for Transavia during 2019 (21 February 2020 press release), which equaled €18.10 per passenger. The airline did not make a similar disclosure for 2020, or 2021. The rate of €18.10 is assumed to have increased 10% since 2019, bringing it to €19.90. When applied to Transavia 2021 traffic of 8,814,000 passengers, ancillary revenue is estimated to be <u>€175,398,600</u> for 2021.

	<ul style="list-style-type: none"> Ancillary revenue activities for the airline include: <ul style="list-style-type: none"> Airport parking. Branded fares. Checked baggage. Fast track security. Hotel, car rental, and airport transfer bookings. Large carry-on with priority boarding. Onboard café. Passenger name change option. Seat assignment. Transavia Holidays. Transavia revenue for 2021: €1,101,000,000.
Historical Ancillary Revenue	
2018	<i>No data</i>
2019	\$344,851,813
2020	\$105,612,584
2021	\$207,966,014
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Wizz Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,104,339,176
As a % of Revenue	56.0%
Dollars per Passenger	\$40.71
Financial Period	12 month period ended 31 March 2022 (FY 2022)
Total Revenue	\$1,972,254,439
Passengers	27,128,160
Information Source	Annual Report and Accounts Fiscal Year 2022 and Wizz Air FY 2022 results presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures are in euros. Wizz Air's unbundled pricing model offers customers a selection of add-on options that produce ancillary revenue from these activities: <ul style="list-style-type: none"> Airport check-in (avoided by printing boarding pass prior to arrival at airport): €13 (via online), or €35 (at counter). Airport transfers and airport parking. Assigned seating with premium seats for extra leg room or front of cabin. "Sitting Together" alternative fee of €12 per leg for auto assignment of two passengers to be seated together.

- Auto check-in: €2 to automatically check-in 50 hours before departure.
- Buy-on-board food and beverage.
- Call center bookings: €15.
- Third party: airport transfer, airport parking, car rentals, hotel accommodations, and trip insurance.
- Checked baggage (rates vary by season).
- Fare lock: €3-€7.
- Fast track security at Budapest.
- Flexible travel partner (book now, specify travel partner names before check-in) €12.
- On time arrival guarantee: €10.
- Paid lounge access: Budapest and Katowice.
- Paper invoice fee: €3.
- Wizz co-branded credit card (Bulgaria, Hungary, and North Macedonia).
- Wizz Discount Club: €29.99.
- Wizz Flex. Pre-purchase ability to change reservations: €5-36.
- Wizz Go branded fare (larger carry-on, checked bag, seat assignment, early boarding, and more).
- Wizz Plus branded fare (more benefits plus reservation flexibility).
- Wizz Priority (early boarding and medium size carry-on bag): €5 to €40 when purchased online, or €25 if purchased at airport. Quantities are limited.
- Wizz Privilege Pass: Annual €199 option providing Priority service and seat selection (includes first row and extra leg room seats).
- Jourik Hooghe, CFO, said during the 26 January 2022 investor call, the airline was pushing hard with low fares and as a result was attracting consumers new to Wizz Air, whom he called “trialists.” They are less likely to purchase a la carte services, instead going for lowest cost as the primary objective.
- Wizz introduced the following growth initiatives during FY 2022:
 - 4 aircraft based in Abu Dhabi.
 - Received 15 Gatwick slots from Norwegian.
 - Has a memorandum of understanding with the Kingdom of Saudi Arabia to assess an LCC operation.
 - Will start a new airline in Malta, October 2022.
- Revenue from contracts with other partners was €36.4 million, and includes commissions on the sale of on-board catering, accommodation, car rental, travel insurance, bus transfers, premium calls (for call

	<p>center contact) and co-branded cards, and represents €1.34 per passenger.</p> <ul style="list-style-type: none"> Ancillary revenue increased by 125.4% to <u>€931,400,000</u> representing 56% of total revenue (compared to 45% of revenue in FY 2020). Revenue FY 2022: €1,663,400,000.
Historical Ancillary Revenue	
FY 2019	\$1,114,114,798
FY 2020	\$1,416,492,955
FY 2021	\$465,377,185
FY 2022	\$1,104,339,176
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Non-Reporting Carriers for Europe

The following airlines did not reveal ancillary revenue activity for the most recent full year period (additional search notes are also provided):

Air Europa (owned by Globalia), Air Malta, (no disclosure since 2018), Air Moldova (no disclosure since 2016, now owned by Blue Air), Air Serbia, Atlantic Airways, Austrian (included in results from Lufthansa Network), Blue Air, Brussels Airlines (does not issue reports separate from Lufthansa Group), FlyBAIR, HiSky Airlines, Iberia Airways (subsidiary of International Airlines Group), ITA Airways Italy), Loganair, LOT Polish (Polish Aviation Group), Luxair, Nordwind Airlines, Norse Atlantic (begins flying 2022) S7 Airlines (only in Russian), SATA International/Azores Airlines, SmartWings/Czech Airlines (2019 report available during research time), SWISS (included in results from Lufthansa Network), TAP Air Portugal, Tarom, TUI Group – Markets & Airlines (airline brands: Thomson Airways, TUIfly, and TUIfly Nordic), Turkish Airlines, UTair (only in Russian), Volotea, Vueling (subsidiary of International Airlines Group), and Wideroe (owned by Torghatten).

Carriers are invited to contact IdeaWorksCompany directly to provide feedback on the statistics provided in this report. Airlines also may directly disclose their ancillary revenue activities to IdeaWorksCompany for inclusion in next year's report. Please send your comments to Jay "at" IdeaWorksCompany.com.



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The Americas

Aerolineas Argentinas

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$152,830,808
As a % of Revenue	12.9%
Dollars per Passenger	\$31.85
Financial Period	Calendar year 2021
Total Revenue	\$1,180,455,108
Passengers	4,799,000
Information Source	Aerolineas Argentinas Annual Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Argentina pesos (ARS). • Aerolineas Argentinas disclosed items in its most recent annual report which may qualify as ancillary revenue: <i>miscelaneos pasajes</i> and <i>otros servicios</i>. These translate as “miscellaneous tickets” and “other services” with other line items referring to cargo, frequent flyer, and services provided to third parties. In the past the airline has disclosed ancillary revenue as representing approximately 4% of revenue; these two items approximate 3%. This activity of ARS 2,582,464,367 (ARS 1,519,627,947 + ARS 1,062,836,420) is an acceptable equivalent. • Revenue produced by the frequent flyer program was ARS 8,194,199,838 for 2021 and primarily reflects the sale of miles to program partners. This equals \$17.83 per passenger carried. Aerolineas Plus had 3 million members in 2019 (last disclosure). • Total ancillary revenue was <u>ARS 10,776,664,205</u> and consists of these two sources: <ul style="list-style-type: none"> – A la carte activity: ARS 2,582,464,367. – Loyalty program: ARS 8,194,199,838. • Revenue for 2021 was ARS 83,238,245,627.
Historical and Projected Total Ancillary Revenue	
2018	<i>No data</i>
2019	\$182,246,562
2020	\$81,247,549
2021	\$152,830,808
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Aeromexico

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$135,436,414
As a % of Revenue	6.0%
Dollars per Passenger	\$8.18
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$2,273,661,314
Passengers	16,553,000
Information Source	Annual Report for the year ended 31 December 2021 and 4 th Quarter Results 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Mexican pesos (MXN) unless otherwise noted (US dollars also appear). • Ancillary revenue for 2021 was disclosed as <u>MXN 2,708,000,000</u>. This specific-style disclosure has occurred since 2018. • On June 30, 2020, Aeromexico began a voluntary financial restructuring process under Chapter 11 before the United States Bankruptcy Court for the Southern District of New York (Chapter 11). The company exited restructuring on 17 March 2021. • The airline generates ancillary revenue from these activities: <ul style="list-style-type: none"> – Airport lounge access. – AM Plus preferred seating in the first rows of the cabin, includes priority boarding. – AM XL provides an entire row of economy seats for sleeping on flights to South America, North America, and Europe. – Branded fares. – Concierge; paid personal service for \$19 per booking, offering travel agent assistance for wide variety of support and booking services (provided by Chubb). – Cross Border Xpress passage between Tijuana and San Diego. – Excess checked baggage. – Ground transportation. – Travel insurance (provided by Chubb). • The airline offered significant disclosure of its distribution activities for 2021: <ul style="list-style-type: none"> – Ticket sales through the website represented 31% of passenger revenues. – The contact center has toll-free numbers from 19 countries, and it receives 5.1 million calls from customers, with language support provided in Spanish, English, French and Portuguese.

	<ul style="list-style-type: none"> - Ticket sales through the call center represented 12% of revenues. - The company operates 84 physical travel stores in the Mexican Republic (including 9 in main airports) and 14 in-house sales offices dedicated to serving corporate and government accounts. - Aeromexico has more than 378 corporate contracts worldwide. The Club Premier Corporativo program has 5,700 companies enrolled. • During 2021 the airline introduced the following ancillary revenue features: <ul style="list-style-type: none"> - Dynamically priced fares and a la carte services. - New bundled fare options. - Ability to redeem Club Premier points for baggage, and assigned seats. - An optimized and personalized shopping experience. • Club Premier is the frequent flyer program associated with Aeromexico. The airline (through the PLM entity) owns 51% of the program with Aimia (Canada) as a co-owner. As of 31 December 2021, Club Premier had approximately 7.6 million members (2020: 7 million). In February 2022 the airline advised AIMIA of its intent to own 100% of Club Premier. • Aeromexico's share of the gross profit from the PLM entity was MXN 343,642,000. This activity is assumed to be included in the ancillary revenue disclosure described above. Revenue produced by the full PLM enterprise was MXN 1,519,093,000. • Revenue for 2021 was MXN 45,461,000,000.
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Historical Ancillary Revenue	
2018	\$266,017,410
2019	\$269,490,156
2020	\$86,546,059
2021	\$135,436,414
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

Air Canada

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$931,039,517
As a % of Revenue	18.0%
Dollars per Passenger	\$70.58

Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$5,159,006,845
Passengers	13,192,000
Information Source	Air Canada 2021 Annual Report, 2021 Annual Information Form, 2020 Management's Discussion and Analysis of Results of Operations and Financial Condition, and 2022 Investor Day Presentation (30 March 2022)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Canadian dollars (CAD). • Air Canada includes Air Canada, Air Canada Rouge, Air Canada Vacations, Aeroplan, and the activity generated through capacity agreements with Air Canada Express partner airlines. • Air Canada made a disclosure for 2021 that meets the definition for ancillary revenue: "Other operating revenues are principally derived from customers located in Canada and consist primarily of revenues from the sale of the ground portion of vacation packages, redemption of Aeroplan points for non-air goods and services, buy on board and related passenger ancillary services and charges, and other airline-related services." Other operating revenue (passenger) for 2021 was CAD 333,000,000 (2020: CAD 525,000,000). • Air Canada made the following Aeroplan disclosures in its 2021 filings: <ul style="list-style-type: none"> – Launched partnerships with Starbucks, the Liquor Control Board of Ontario (LCBO), one of the world's largest retailers of alcoholic beverages, Rocky Mountaineer rail tours, and with Uber Canada. – Introduced the Chase Aeroplan World Elite MasterCard Credit Card, which provides US card members with the ability to earn Aeroplan points faster. – Added Aeroplan as a mileage transfer option for Ultimate Rewards points for eligible Chase card members. • According to an Aimia (the prior owner of Aeroplan) fact sheet reviewed July 2020, the program had 5 million active members. If 30% of members are assumed to be active, total membership was 16.6 million. The airline said it welcomed 1.2 million members during 2021, which would bring total membership to 17.8 million. These additional statistics were disclosed for 2021: <ul style="list-style-type: none"> – 39% of all Air Canada customers accrue with Aeroplan; 28% of leisure customers accrue miles.

	<ul style="list-style-type: none"> – Of member enrollments, 23% occur in the booking path and 16% occur during check-in. – The yield on reward tickets is CAD 1.3 cents per mile. (CAD 1.0 cents per mile for 2019). If a roundtrip domestic reward is 25,000 miles, that's CAD 325 roundtrip. • Air Canada disclosed "Proceeds from Aeroplan Miles issued to program partners" as CAD 822,000,000 for 2021 (2020: CAD 687 million). • Ancillary revenue for Air Canada is estimated to equal <u>CAD 1,155,000,000</u> for 2021 and is composed of two items: <ul style="list-style-type: none"> – Other operating revenue: CAD 333,000,000. – Sale of Aeroplan miles to partners: CAD 822,000,000. • Air Canada operating revenue for 2021 was CAD 6,400,000,000.
Historical Ancillary Revenue	
2018	\$1,452,733,488
2019	\$2,549,719,104
2020	\$892,458,089
2021	\$931,039,517
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Alaska Air Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,519,000,000
As a % of Revenue	24.6%
Dollars per Passenger	\$46.87
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$6,176,000,000
Passengers	32,407,000 (Combined total of Alaska Airlines mainline and Horizon Air)
Information Source	2021 Annual Report / Form 10-K and 24 March 2022 Investor Day Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Ancillary revenues (passenger) relate to items such as checked-bag fees, ticket change fees, and on-board food and beverage sales, all of which are provided at time of flight. The airline disclosed this activity as \$327 million for 2021. Alaska eliminated

change fees prior to 2021, and these are no longer a factor for ancillary revenue calculations.

- Cargo and other revenue includes freight and mail revenue, and to a lesser extent, other ancillary revenue products such as lounge membership and hotel and car rental commissions. This ancillary revenue was disclosed as \$92 million for 2021.
- The share of seats represented by premium seating (First and Premium classes) will increase from 7% in 2016 to 25% by 2023. The fare differential above economy is 130% for Premium and 200% for First.
- Mileage Plan active membership was estimated to be 5 million in 2016 based upon disclosures made in Alaska's "2016 year in review: Mileage Plan by the numbers" published in 2017. Alaska recently disclosed membership in the Pacific Northwest grew at a rate consistent with 2016-2022 ASM growth. Elsewhere in the US, membership grew at a rate of 9X the ASM rate. When compared to system-wide ASM growth, the member increases since 2016 are 30% (Pacific Northwest) and 270% (elsewhere). The 2016 split of membership is assumed to be 3.5 million (Pacific Northwest) and 1.5 million (elsewhere). Applying these factors generates a 2021 estimate of 8.7 active members, or approximately 29 million total members.
- Mileage Plan offered the following program statistics for 2021:
 - 46% of program members live in the Pacific Northwest (includes Alaska).
 - 56% of Mileage Plan credit cardholders live in the Pacific Northwest (includes Alaska).
 - Revenue from the Bank of America co-brand program has grown 12% annually since 2016; it is expected to increase 30% for 2022.
- On March 31, 2021, Alaska joined the Oneworld Alliance.
- Mileage Plan revenues, including those in the passenger revenue income statement line item, represented approximately 20% of Alaska Air Group's total revenues in 2021. Mileage Plan revenue rose in 2021 largely due to higher commissions received from the affinity card partner, which was due to cardholder account additions and increased consumer spending. The breakage rate for the twelve months ended December 31, 2021 and 2020 was 17.4%.
- Revenue from Mileage Plan for 2021 was \$1.1 billion and consisted of two components:

	<ul style="list-style-type: none"> – Mileage Plan passenger revenue: \$639 million. – Mileage Plan other revenue (primarily co-branded credit card related): \$461 million. • IdeaWorksCompany estimates Alaska's 2021 ancillary revenue was <u>\$1,519,000,000</u> based upon revenue from these sources: <ul style="list-style-type: none"> – Ancillary revenue (passenger): \$327,000,000. – Ancillary revenue (lounge and commissions): \$92,000,000. – Mileage Plan revenue: \$1,100,000,000. • The data was provided to Alaska Airlines management prior to publication of this report. The company did not confirm or deny the accuracy of the data. • Operating revenue for 2021 was \$6,176,000,000 for the group.
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Historical Ancillary Revenue	
2018	\$1,388,000,000
2019	\$2,033,560,500
2020	\$960,743,000
2021	\$1,519,000,000
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Allegiant

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$876,859,000
As a % of Revenue	51.3%
Dollars per Passenger	\$64.30
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,707,910,000
Passengers	13,637,405
Information Source	Allegiant Travel Company Annual Report Form 10-K for the year ended 31 December 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Allegiant provides unbundled air-related services and products in conjunction with air transportation for an additional cost to customers. The airline provides the following narrative in its annual report to describe these methods: • Allegiant continues development of its Sunseeker Resort segment in Southwest Florida, as well as the operation of Kingsway Golf Course. Plans for the

resort include a 500-room hotel and two towers offering an estimated 180 one, two and three-bedroom suites, bar and restaurant options, and other amenities. The construction of Sunseeker Resort is an extension of the company's leisure travel focus and it is expected that many customers flying to Southwest Florida on Allegiant will elect to stay at this resort and enjoy its amenities. The projects are expected to be completed in 1st quarter 2023.

- Scott DeAngelo, EVP and CMO, disclosed a flight credit policy during the 3rd quarter 2021 investor call. When Sunseeker Resort goes on sale, room inventory will be available more than 12 months out, which is beyond standard airline inventory. As an incentive, Allegiant will provide a flight credit for these long range bookings to encourage travelers to return to Allegiant.com to book their flights.
- The airline is the naming sponsor of Allegiant Stadium in Las Vegas. Scott DeAngelo, EVP and CMO, offered this commentary during the 3rd quarter 2021 investor call: "As the NFL season kicked off, we launched Allegiant Stadium travel packages that include air travel, hotel stay and game tickets. While these packages don't represent a material revenue driver, they do serve as a high profile way to showcase our ability to sell beyond the aircraft. And to that point, for 80% of Allegiant Stadium package customers, it's the first time they had ever booked a hotel through allegiant.com. And for nearly one-third of these customers, it's the first time they've flown to Las Vegas on Allegiant."
- Allegiant does not sell through Expedia, Orbitz or Travelocity, or any other online travel agencies, nor are its flights displayed and sold through the global distribution systems which include Sabre or Worldspan.
- The airline launched a traditional frequent flyer program called Always Rewards in August 2021.
- Ancillary revenue increases for 2021 are largely attributed to better bundled sales, and higher take rates for car and hotel bookings.
- Ancillary revenue increased to \$876,859,000 for 2021 and consists of the following sources:
 - Ancillary air-related revenue: \$769,371,000.
 - Co-branded credit card redemptions: \$21,001,000.
 - 3rd party commission revenue (hotels, car rental, etc.): \$86,487,000 (approximately \$6.40 per passenger).

	<ul style="list-style-type: none"> • 3rd party ancillary revenue is expressed net of amounts paid to wholesale providers, travel agent commissions and payment processing fees. • Package sale details from 2021: <ul style="list-style-type: none"> – Hotel room nights sold: 261,158 (2019: 414,593). – Car rental days sold: 1,361,123 (2019: 1,921,930). • Per passenger revenue statistics (scheduled services) for 2021: <ul style="list-style-type: none"> – Air fare, scheduled service: \$58.50. – Ancillary revenue, air related: \$58.33. – Ancillary revenue, third party: \$6.40. – Average fare total: \$123.24. • Operating revenue for 2021 was \$1,707,910,000.
Historical Ancillary Revenue	
2018	\$687,600,000
2019	\$855,336,000
2020	\$513,001,000
2021	\$876,859,000
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

American

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$5,896,000,000
As a % of Revenue	19.7%
Dollars per Passenger	\$35.59
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$29,882,000,000
Passengers	165,682,000
Information Source	Form 10-K Annual Report of American Airlines Group for 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • “Other revenue” for 2021 was \$339 million. This amount includes airport club revenue, advertising, and vacation related services. There is a loyalty component also reported, which is listed under the AAdvantage disclosure below. • American disclosed its AAdvantage loyalty program revenue for 2021, which is remains lower than the \$5.54 billion disclosed for 2019:

	<ul style="list-style-type: none"> – Loyalty revenue (travel component): \$2.167 billion. – Loyalty revenue (marketing): \$2.166 billion. – Total for 2021: \$4.333 billion. • American did not disclose baggage revenue in its annual report. Data provided by the US DOT indicates American's baggage revenue was \$1,224,288,000 in 2021. • American disclosed in 2020 it has 115+ million members. New member enrollments for 2021 exceeded 2019 totals. • During 2021, AAdvantage members redeemed approximately 11 million rewards (2020: 7 million) including travel redemptions for flights and upgrades on American and other air carriers, as well as redemption of car and hotel rewards, airport club memberships and merchandise. Approximately 7% of 2021 total revenue passenger miles flown were reward travel (6% for 2020). • During 2021, American and the AAdvantage Program issued notes totaling \$3.5 billion (due 2026) and \$3 billion (due 2029). Various elements of the AAdvantage program were provided as collateral for the debt. • American's most significant partner agreements are its co-branded credit card agreements with Citi and Barclaycard USA. • Ancillary revenue for 2021 is <u>\$5,896,000,000</u> and consists of these components: <ul style="list-style-type: none"> – Other revenue: \$339 million. – Baggage revenue: \$1.224 billion. – Loyalty program revenue (all): \$4.333 billion. • Operating revenue for 2021 was \$29,882,000,000.
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Historical Ancillary Revenue	
2018	\$7,245,000,000
2019	\$7,413,000,000
2020	\$3,782,000,000
2021	\$5,896,000,000
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

Avianca

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$324,497,000
As a % of Revenue	14.7%

Dollars per Passenger	\$23.18
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$2,200,000,000
Passengers	14,000,000
Information Source	Avianca Holdings 6K Quarterly Report dated 30 September 2021 and 2021 Sustainability Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Avianca Holdings includes ownership of Avianca Airlines, Grupo TACA Airlines, and LifeMiles (89.9%). • The company filed for Chapter 11 bankruptcy on 10 May 2020. The company exited Chapter 11 as Avianca Group International on 14 September 2021. The LifeMiles frequent flyer program was not part of the Chapter 11 filing. During early 2022 the company announced a merger with GOL to create Abra Group. • Operating revenue disclosed for the 9-month period ended 30 September, 2021 was \$1,415,797,000. Passenger traffic for the same period is estimated to be 9 million passengers, which yields an average result of \$157 operating revenue per passenger. Total disclosed passenger traffic for 2021 is 14 million, and this yields estimated annual operating revenue of \$2,200,000,000. Passenger revenue for the 01 January – 30 September, 2021 period is estimated to be \$1,344,000,000. • Loyalty revenue produced by the LifeMiles program was \$154,850,000 for the 9-month period ended 30 September 2021. This represented 10.9% of operating revenue for the same period. • The company disclosed ancillary revenue (non-loyalty) represented 6.3% of passenger revenue for 2020; no ancillary revenue disclosure was found for 2021. • 2021 ancillary revenue for Avianca has been estimated to be <u>\$324,497,000</u> based upon the following calculations: <ul style="list-style-type: none"> – Ancillary revenue (non-loyalty) of \$84,697,000 (6.3% x \$1,344,000,000 estimated passenger revenue). – Loyalty revenue of \$239,800,000 (10.9% of \$2,200,000,000 operating revenue). • At the close of 2020, the LifeMiles program had 10.1 million members (2019: 9.7 million) and 565,000 active co-branded credit cards (2019: 723,000). The company refers to 10+ million members in its 2021 Sustainability Report.

	<ul style="list-style-type: none"> The data was provided to Avianca management prior to publication of this report. The company did not confirm or deny the accuracy of the data.
Historical Ancillary Revenue	
2018	\$360,700,000
2019	\$524,530,400
2020	\$208,561,000
2021	\$324,497,000
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Azul

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$415,905,492
As a % of Revenue	21.0%
Dollars per Passenger	\$17.84
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,981,190,841
Passengers	23,311,416
Information Source	Azul SEC Form 20-F for 2021, Consolidated Financial Statements for 2021, and Institutional Presentation 4 th Quarter 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in Brazilian reais (BRL). “Ancillary revenue” is derived from these activities: <ul style="list-style-type: none"> Bundled fares. Checked baggage fees (long haul routes). Excess bag fees apply for other routes. Economy Xtra additional leg room seating on international flights in a 2-4-2 configuration. Espaco Azul additional leg room seating on domestic flights. Pet in cabin. SkySofas on international flights on Airbus A330 aircraft consisting of four economy seats with a footrest that can be raised to create a flat, sofa-like, flexible space for families to sleep together more comfortably. “Cargo and other revenue” includes cargo and travel and tourism operations, which consists of vacation packages sold through Azul Viagens (Azul Vacations). Cargo service had revenue of BRL 1.2 billion during 2021.

	<ul style="list-style-type: none"> • “Ancillary, cargo and other revenue” was BRL 93.91 per passenger for 2020. This disclosure was not made for 2021. Applying the BRL 93.91 rate to 2021 traffic generates a result of BRL 2,189,175,076. Deducting gross cargo revenue of BRL 1,200,000,000 from this result yields ancillary revenue of BRL 989,175,076. The airline did not disclose the portion of revenue received from change and cancellation fees (which is non-qualifying). • Membership in TudoAzul (frequent flyer program) is approximately 13.7 million (2020: 12.6 million). • TudoAzul’s gross billings (for partner sales) totaled BRL 1,105,000,000 for 2021, compared with BRL 879,000,000 for 2020. That’s \$16 per member. These figures are “ex airline” which reflect the removal of billings to Azul. Azul sells TudoAzul points to the program’s business partners, including credit card issuers and other companies, as well as directly to TudoAzul members. TudoAzul is a 100% owned entity. Revenue from the credit card program increased by 175% from 2019. • IdeaWorksCompany estimates Azul’s 2021 ancillary revenue was <u>BRL 2,094,175,076</u> based upon revenue from these sources: <ul style="list-style-type: none"> – Adjusted ancillary revenue: BRL 989,175,076. – TudoAzul gross billings: BRL 1,105,000,000. • Operating revenue for 2021 was BRL 9,975,729,000.
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Historical Ancillary Revenue	
2018	\$492,269,554
2019	\$670,253,775
2020	\$281,105,386
2021	\$415,905,492
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Breeze Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$3,278,000
As a % of Revenue	18.2%
Dollars per Passenger	\$10.31
Financial Period	Calendar year 2021 (began service May 2021)
Total Revenue	\$18,000,000
Passengers	318,000

Information Source	USDOT, Bureau of Transportation Statistics, Form 41; Schedule P-1.2 and Carrier Snapshots, T100 USDOT database
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The airline began service May 2021. • Breeze has the following ancillary revenue activities: <ul style="list-style-type: none"> – Branded fares: Nice, Nicer, and Nicest. – Call center support. – Carry-on bag. – Checked baggage. – Onboard café. – Pet in cabin. – Rental car and hotel bookings. – Seat assignments. • Total ancillary revenue for 2021 is estimated to be <u>\$3,278,000</u> from the following activities: <ul style="list-style-type: none"> – Baggage fees: \$3,271,000. – Revenue from passenger transport related activities (TransRevenue): Non-disclosed (this largely consists of onboard sales (food, beverage, and entertainment) and other revenue assigned by the airline. – Revenue from miscellaneous operating revenue (MiscOpRev): \$7,000 (which includes pet transportation and sale of frequent flyer miles/points). <p>The above results are from the US DOT Bureau of Transportation statistics website.</p> <ul style="list-style-type: none"> • Operating revenue for 2021 was \$18,000,000.
Historical and Projected Total Ancillary Revenue	
2018	<i>No data – began operations 2021</i>
2019	<i>No data – began operations 2021</i>
2020	<i>No data – began operations 2021</i>
2021	\$3,278,000 (partial year)
<i>Prior Year Sources: Yearbook of Ancillary Revenue for 2019-2021.</i>	

Copa Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$50,268,000
As a % of Revenue	3.3%
Dollars per Passenger	\$8.19
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,509,931,000

Passengers	6,136,000
Information Source	Copa Holdings, S.A. SEC Form 20-F for 2021 and Copa Holdings Reports Financial Results for the Fourth Quarter of 2021 (for traffic statistic)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • ConnectMiles, the carrier's frequent flyer program, generated revenue from these sources: <ul style="list-style-type: none"> – Redemption of miles for reward travel: \$24,301,000. – Marketing component of miles sold to partners: \$18,897,000. Total revenue from these two items is \$43,201,000. • Copa has also disclosed "other operating revenue" of \$7,067,000 for 2021. This activity appears related to lease income, advertising and vacation-related services. Lease income would not qualify as ancillary revenue. However, Copa's overall disclosures do not include major items such as baggage and seat assignment. • Ancillary revenue products include: <ul style="list-style-type: none"> – Airport lounges. – Branded fares. – Checked bags. – Fare lock. – Frequent flyer mileage sales. – Hotel and car rental bookings. – Premium seating. – Price lock. – Standard seat assignment. – Trip insurance. • Total ancillary revenue for 2021 from the sources identified above is <u>\$50,268,000</u>: <ul style="list-style-type: none"> – Frequent flyer program: \$43,201,000. – Other operating revenue: \$7,067,000. • Revenue for 2021 was \$1,509,931,000.
Historical Ancillary Revenue	
2018	\$93,716,945
2019	\$108,296,320
2020	\$32,040,000
2021	\$50,268,000
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Delta

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$5,831,000,000
As a % of Revenue	21.9%
Dollars per Passenger	\$44.51
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$26,670,000,000 <i>(does not include refinery and other business operations)</i>
Passengers	131,016,000
Information Source	Form 10-K for the year ended 31 December 2021 and Delta Capital Markets Day 2021, and US DOT Bureau of Transportation Statistics.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The carrier offers five cabin products: Delta One/First Class, Premium Select, Comfort+, Main Cabin, and Basic Economy. • Loyalty statistics for 2021 (November 2021 compared to November 2019): <ul style="list-style-type: none"> – Co-branded credit card spending +122%. – Co-branded credit card acquisitions +111%. – SkyMiles membership acquisitions +112%. • Co-branded credit card acquisitions recovered to 2019 levels as of November 2021. In addition, co-branded credit card spending for 2021 exceeded the 2019 level. • 2021 passenger revenue of \$22.5 billion consisted of these components: <ul style="list-style-type: none"> – \$11.6 billion main cabin sales. – \$7.7 billion business and premium cabin sales. – \$1.8 billion loyalty travel rewards (redemptions). – \$1.4 billion travel related services. • Delta has done well with its premium economy product according to comments made by Glen Hauenstein, president, during the 3rd quarter conference call: “Demand for premium products is actually exceeding our coach products with the business traveler out. So I think the big epiphany for us was there's a much broader demand for this than just business travelers, and if we have to rely on high-end leisure to fill those seats, that is a trade-off we'll make. And I think one that we can be quite profitable with under any scenario.” • During the Capital Markets Day presentation, Hauenstein offered this comment on the carrier's basic economy fare strategy, “I think we've always said that basic economy is more of a defensive

product, and we'd like to sell less of it rather than more of it . . . We monitor it. When it gets to be too large a percentage of our total customer base, we look at how we can work to move that down, and our internal targets are somewhere between 10% and 20% of total ticket sales to be in basic economy.”

- Delta’s tickets are sold through various distribution channels, with 64% of tickets sold through direct channels in 2021. These include digital channels, such as delta.com, the Fly Delta app, and the call center. During the 3rd quarter of 2021, monthly mobile app downloads surpassed one million for the first time (13 October 2022 investor call).
- One reporting category is called Travel-Related Services which consists of fee-based activities, to include bags. This includes amounts paid by Amex for providing baggage benefits to cardholders. This represents revenue of \$1.394 billion for 2021. The category is noted to include reservation change fees (\$80 million for 2021). Accordingly, this non-qualifying activity was subtracted to provide adjusted Travel-Related Services revenue of \$1.314 billion for 2021.
- Miscellaneous revenue for 2021 was \$556 million and is “primarily” composed of lounge access and codeshare revenues. 75% of the total is estimated to represent lounge access revenue, or \$417 million. The airline’s network of lounges was fully open as of July 2021.
- Total cash sales of miles, of which the majority are related to the American Express SkyMiles relationship, was \$4.1 billion for 2021 (2020: \$2.9 billion).
- During 2021 SkyMiles had 23 million reward redemptions (2020: 14 million). During 2020 and 2021, 10% of revenue miles flown on Delta were from reward travel.
- For all of 2021, Delta disclosed it added 5.5 million new SkyMiles members (Glen Hauenstein, 4th quarter conference call). This results in a membership estimate of 136 million for 2021.
- Less than 1/3 of SkyMiles members hold the Delta co-branded credit card. Cardholders average approximately 6 trips per year and have 4x to 5x more spending on Delta. Assuming 30% of members hold an Amex card, this generates a result of 40.8 million cardholders.

	<ul style="list-style-type: none"> • These cardholders generated revenue of \$4.1 billion for Delta during 2021, or an estimated \$100.49 per cardholder account. • The value of miles accrued during 2021 was \$2.238 billion. Redemption value of miles was \$1.861 billion of which \$75 million (4%) was for non-airline rewards. • Total ancillary revenue for Delta is estimated to be <u>\$5,831,000,000</u> using the following data: <ul style="list-style-type: none"> – Co-branded cash sales from SkyMiles was \$4.1 billion. – Adjusted Travel-Related Services revenue of \$1.314 billion. – Lounge revenue estimate of \$417 million. • This data was provided to Delta management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate. <ul style="list-style-type: none"> • Total Delta operating revenue for 2021 was \$29,899,000,000; less deduction of refinery and other business operations of \$3.229 billion, adjusted operating revenue is \$26,670,000,000.
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Historical Ancillary Revenue

2018	\$5,570,000,000
2019	\$6,198,000,000
2020	\$3,676,400,000
2021	\$5,831,000,000

Source: current and prior year editions of the Yearbook of Ancillary Revenue.

Frontier

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,130,325,950
As a % of Revenue	54.9%
Dollars per Passenger	\$54.58
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$2,060,000,000
Passengers	20,709,000
Information Source	Frontier Group Holdings Form 10-K for the period ended 31 December 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Frontier offers the following list of key ancillary revenue (also called non-fare passenger revenue) activities in its annual report: carry-on and checked baggage, advance seat selection, extended-legroom

	<p>Stretch seats, and Discount Den savings club subscription program. The activities include change fees, which do not qualify as ancillary revenue per the definition used for this yearbook.</p> <ul style="list-style-type: none"> • Bundled fare options are 1) The Works, a hassle-free option that includes a guaranteed seat assignment, carry-on and checked baggage, ticket refundability, itinerary changes and priority boarding, and 2) The Perks, which enables customers to book the same amenities included in The Works, excluding refundability and ticket changes. • Frontier offers a convenient onboard payment system that enables customers to bundle products together to save money, make multiple purchases with a single credit card transaction and provide gratuities to flight attendants. • A review of quarterly investor call transcripts for 2021 reveals new records during the year for monthly sign-up activity for the co-branded credit card and the Discount Den subscription program. • Total ancillary revenue per passenger was \$60.55 for 2021. Multiplying this by Frontier's passenger traffic of 20,709,000 generates a revenue result of \$1,253,929,950. However, this includes change fees which are not defined as ancillary revenue for the yearbook. 2021 change fees were \$123,604,000 (US DOT Bureau of Transportation website) and deducting this amount yields adjusted ancillary revenue of <u>\$1,130,325,950</u>. • Ancillary revenue includes an "other revenues" component consisting of services such as the Frontier Miles affinity credit card program and commission revenue from the sale of items such as rental cars and hotels. Revenue from these activities was \$2.90 per passenger for 2021 or \$60,056,100 (\$2.90 x 20,709,000). • Operating revenue for 2021 was \$2,060,000,000.
Historical Ancillary Revenue	
2018	\$922,058,000
2019	\$1,094,043,000
2020	\$615,450,100
2021	\$1,130,325,950
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

GOL

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$487,565,722
As a % of Revenue	33.0%
Dollars per Passenger	\$25.87
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,476,278,305
Passengers	18,848,000
Information Source	Gol Linhas Aereas Inteligentes S.A. Form 20-F filing for 2021, and GOL Quarterly Presentation for Qtr. 1, 2022
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Brazilian reais (BRL). • Ancillary revenue (as defined by GOL) includes the following sources: <ul style="list-style-type: none"> – Airport lounge. – Branded fares: Promo, Light, Plus, and Max. – Checked bags. – Extra seat. – Fare lock. – GOL+ Conforto extra leg room seating and priority boarding. – Onboard purchase of food and beverages. Small item and beverage are provided free of charge. Discount provided for pre-purchase. – Pet transportation in cabin. – Seat assignment. – Travel booking: car rental, hotel, tours, and airport parking. – Trip insurance. – Wifi. • GOL disclosed the following ancillary revenue results, which includes cargo revenue: <ul style="list-style-type: none"> – 1st quarter 2021: BRL 529 million. – 2nd quarter 2021: BRL 568 million. – 3rd quarter 2021: BRL 716 million. – 4th quarter 2021: BRL 947 million. <p>Total of the above is BRL 2.76 billion (this does not include loyalty revenue). The company had 2021 cargo revenue of BRL 362 million and change fee revenue of BRL 210 million which are deducted from the result, yielding net ancillary revenue of BRL 2.188 billion.</p> • GOL as of 01 September 2021 owns all shares in the Smiles loyalty program. GOL disclosed revenue of BRL 267,344,000 which largely consists of air travel reward redemptions. Gross sales (not recorded as

	<p>revenue for GOL) for Smiles was disclosed for the quarters of 2021:</p> <ul style="list-style-type: none"> – 1st quarter 2021: BRL 442 million. – 2nd quarter 2021: BRL 486 million. – 3rd quarter 2021: BRL 624 million. – 4th quarter 2021: BRL 843 million. <p>For quarters 1-3, GOL owned 52.6% of Smiles shares, which represents GOL revenue of BRL 816 million. Adding 100% of 4th quarter revenue generates a result of BRL 1.659 billion. Total program revenue for the four quarters is BRL 2.395 billion. The Smiles loyalty program had 19.3 million members as of 31 December 2021.</p> <ul style="list-style-type: none"> • Ancillary revenue for GOL for 2020 was <u>BRL 2,455,000,000</u> and consists of these two categories: <ul style="list-style-type: none"> – Net ancillary revenue: BRL 2.188 billion. – Smiles loyalty revenue: BRL 267 million. • Consolidated revenue for 2021 was BRL 7,433,384,000.
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Historical Ancillary Revenue	
2018	\$232,294,093
2019	\$616,816,503
2020	\$175,670,739
2021	\$487,565,722
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Hawaiian Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$372,523,000
As a % of Revenue	23.3%
Dollars per Passenger	\$56.93
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,596,584,000
Passengers	6,543,000
Information Source	Annual Report 2021 for Hawaiian Holdings, Inc. and Hawaiian Holdings 2022 Outlook Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Hawaiian no longer makes direct disclosures for ancillary revenue. Various activities have been disclosed for 2021 and are listed below, and represent a portion of the carrier's total ancillary revenue.

	<ul style="list-style-type: none"> • Extra Comfort revenue exceeded \$100 million for 2021. Extra Comfort provides more leg room, fast track screening (at seven airports), early boarding, at-seat power, and on select flights expanded IFE choices, and an amenity kit. That's an average of \$15.28 per passenger. The airline did not disclose revenue produced by preferred seating. • The number of HawaiianMiles travel rewards used on Hawaiian was approximately 496,000 in 2021 (2020: 174,000). The amount of free travel rewards as a percentage of total revenue passengers was approximately 8% (2020: 5%). The program has 10 million members in total, with 2.4 million members across Hawaii, 6.4 million in North America, and the remainder in international markets. • HawaiianMiles members who do not reach Pualani elite status may purchase elite benefits through the Premier Club subscription program. For an annual rate of \$249 to \$299, members enjoy fee-free baggage, access to airport clubs, priority check-in, and other services. • On 01 April 2021 the airline discontinued its mileage expiration policy for HawaiianMiles. • The airline disclosed these two frequent flyer program revenue components for 2021: <ul style="list-style-type: none"> – Frequent flyer revenue, transportation: \$106,843,000. – Frequent flyer revenue, marketing and brand: \$99,333,000. – Total of above: \$206,176,000, or \$20.62 per member. • Ancillary revenue calculated for Hawaiian Airlines for 2021 is <u>\$372,523,000</u> and is based upon these sources: <ul style="list-style-type: none"> – Extra Comfort seating: \$100,000,000. – Baggage fees (US DOT website): \$ 66,347,000. – Loyalty program revenue: \$206,176,000. • Operating revenue for 2021 was \$1,596,584,000.
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Historical Ancillary Revenue	
2018	\$387,183,000
2019	\$436,838,000
2020	\$191,034,200
2021	\$372,523,000
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

JetBlue

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,243,000,000
As a % of Revenue	20.6%
Dollars per Passenger	\$41.30
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$6,037,000,000
Passengers	30,094,000
Information Source	Form 10-K for the year ended 31 December 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • JetBlue sells the following a la carte services: <ul style="list-style-type: none"> – Checked baggage. – Even More Space (extra leg room seats, early boarding, and fast track screening). – Even More Speed (fast track screening). – Inflight purchases (headsets, blanket/pillow, alcoholic beverages, and Eat Up food). All passengers may enjoy unlimited snacks and non-alcoholic beverages. – Large carry-on baggage fee for basic economy. – Phone reservations (with exceptions including JetBlue Vacations packages). – Seat selection for basic economy. – Sports equipment (checked baggage). • JetBlue worked on the following ancillary revenue related activities during 2021: <ul style="list-style-type: none"> – The co-branded credit card partnership was extended with the inclusion of better returns for the airline. – The next iteration of branded fares was introduced to customers, which contributed to better buy-up rates. – The JetBlue Travel Products (JTP) subsidiary (which includes JetBlue Vacations) continued to introduce new services, which contributed operating income of \$45 million for the year. Operating income for 2022 is expected to be \$100 million. – Paisly by JetBlue was introduced as a new travel website to provide individually tailored offers, such as hotel stays and car rentals. Paisly was designed to complement the existing JetBlue Vacations brand. – The TrueBlue frequent flyer program added a new top elite tier called Mosaic+.

	<ul style="list-style-type: none"> • Fee revenue, which represents a la carte activities, increased by \$326 million or 125% from the prior year. This indicated 2020 fee revenue was approximately \$261 million, and that 2021 revenue was \$587 million. • Other revenue is primarily composed of the marketing component of the sales of TrueBlue points. It also includes revenue from the sale of vacation packages, ground handling fees received from other airlines, and rental income. In 2021, other revenue increased by \$204 million, or 91.4%, principally driven by a \$138 million increase in marketing revenue associated with the TrueBlue program due to higher customer spend along with improved terms from the new co-branded credit card agreements. • TrueBlue generated revenue from the following sources in 2021: <ul style="list-style-type: none"> – Loyalty revenue – air transportation component: \$305 million. – Loyalty revenue – other revenue component: \$306 million. <p>Total TrueBlue revenue from the above is \$611 million.</p> • JetBlue has a 10% ownership interest in the 500+ room TWA Flight Center Hotel at JetBlue's New York JFK terminal. • JetBlue's 2021 ancillary revenue is calculated to be <u>\$1,243,000,000</u> and is composed of these sources: <ul style="list-style-type: none"> – Fee revenue (a la carte activities): \$587 million. – TrueBlue loyalty: \$611 million. – JetBlue Travel Products: \$45 million operating income. • Operating revenue for 2021 was \$6,037,000,000.
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Historical Ancillary Revenue

2018	\$1,083,255,000
2019	\$1,452,752,000
2020	\$934,800,000
2021	\$1,243,000,000

Source: current and prior year editions of the Yearbook of Ancillary Revenue.

LATAM Airlines

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$585,690,000
As a % of Revenue	12.0%

Dollars per Passenger	\$14.57
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$4,884,015,000
Passengers	40,195,000
Information Source	Annual Report 2021 of LATAM Airlines Group, Form 20-F for the year ended 31 December 2021, and Five-Year Business Plan Presentation (July 2021)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • LATAM includes the following subsidiaries: LATAM Airlines Chile, LATAM Airlines Peru, LATAM Airlines Argentina, LATAM Airlines Colombia, LATAM Airlines Ecuador, LATAM Airlines Brazil, and LATAM Airlines Paraguay. • These notable events occurred during 2021: <ul style="list-style-type: none"> – The company presented its reorganization plan November 2021; the company had filed for Chapter 11 bankruptcy during 2020. LATAM received permission to exit bankruptcy during 2022. – LATAM introduced premium economy on domestic routes with these features: front row seats have more room between them, passengers have exclusive areas to store carry-on baggage, larger individual IFE screens, and preferential boarding. • The company made a rare disclosure of “forward sales outstanding” for its LATAM Pass program: <ul style="list-style-type: none"> – 2021: \$534 million (estimate). – 2022: \$505 million (estimate). <p>These are interpreted to represent the sale of miles to program partners, notably banks issuing co-branded credit cards.</p> • Total ancillary revenue for LATAM for 2021 was <u>\$585,690,000</u> and consisted of these items: <ul style="list-style-type: none"> – Duty free: no meaningful revenue for 2021. – Tour packages: \$11,209,000. – LATAM Pass sales: \$534,000,000. – Income from non-airline products, such as LATAM Pass: \$40,481,000. • LATAM Pass has 39 million members (LATAM Pass revenue per member was \$13.69). • The Multiplus coalition program of Brazil is a part of LATAM Pass; the group owns 100% of Multiplus. • This data was provided to LATAM management prior to publication of this report. The company did not confirm or deny the accuracy of the data. • Total operating revenue for 2021 was \$4,884,015,000.

	<ul style="list-style-type: none"> Note regarding comparison of 2018-2020 results (see below) to 2021: LATAM made a significant disclosure for 2021 regarding partner sales for its frequent flyer program.
Historical Ancillary Revenue	
2018	\$298,466,000
2019	\$245,606,000
2020	\$65,412,000
2021	\$585,690,000
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Southwest

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$4,134,000,000
As a % of Revenue	26.2%
Dollars per Passenger	\$41.71
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$15,790,000,000
Passengers	99,111,000 <i>Revenue passengers carried, not enplaned passengers.</i>
Information Source	2021 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in US dollars. Southwest offers the following a la carte services: <ul style="list-style-type: none"> Early Bird Check-In: Provides customers with automatic check-in and an assigned boarding position before general boarding positions become available, thereby improving seat selection options (priority boarding privileges are already a benefit of being an “A-List” tier member under the Rapid Rewards loyalty program). The company uses a variable pricing model for Early Bird Check-In based on the length of the flight and the historical popularity of Early Bird Check-In on the route. Prices range from \$15 to \$25. Pet transportation: Southwest’s pet policy allows customers to bring a small cat or dog into the aircraft cabin for a \$95 fee. Unaccompanied minors: \$50 fee, ages 5-11. Upgraded Boarding: When available, the airline also sells Upgraded Boarding at the airport for boarding positions A1-15. Prices range from \$30 to \$60; for 2020 the top fee was \$50.

	<ul style="list-style-type: none"> – Wifi: Satellite-based internet service for an \$8 fee. Free access is provided to movies, live TV, mobile app messaging, and travel information content. – Purchase of alcoholic drinks or premium beverages on flights. <ul style="list-style-type: none"> • Southwest made robust disclosure of its ancillary revenue for 2021: <ul style="list-style-type: none"> – Passenger ancillary (a la carte): \$553 million. – Passenger loyalty (Rapid Rewards travel component): \$2.136 billion. – Other loyalty non-airline revenue (from non-airline redemption): \$45 million. – Revenue related to marketing of loyalty programs (Rapid Rewards marketing and brand component) \$1.4 billion. <p>Total ancillary revenue for 2021 was <u>\$4,134,000,000</u>.</p> <ul style="list-style-type: none"> • Customers of Southwest redeemed approximately 8.1 million (2020: 4.1 million) flight rewards, accounting for approximately 17.3% (2020: 15.8%) of revenue passenger miles flown. • During 2021, the company added Rapid Rewards Business, giving businesses the ability to earn Rapid Rewards points. By joining Rapid Rewards Business, companies earn Rapid Rewards points that can be applied toward travel on the company's behalf, while travelers who are Rapid Rewards Members also earn Rapid Rewards points in their personal accounts. Rapid Rewards business accounts generally have the same opportunities and benefits to earn and redeem points as individual Member accounts. • For the year ended 31 December 2021, approximately 86% (2020: 83%) of Southwest's passenger revenues originated from its websites (including revenues from Swabiz.com). The remaining activity is likely derived from traditional travel agency bookings through GDS. • This data was provided to Southwest management prior to publication of this report. The company did not confirm or deny the accuracy of the data. • Operating revenue for 2021 was \$15,790,000,000.
Historical Ancillary Revenue	
2018	\$4,049,000,000
2019	\$4,498,000,000
2020	\$2,522,000,000

2021	\$4,134,000,000
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Spirit

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,752,875,000
As a % of Revenue	54.3%
Dollars per Passenger	\$56.86
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$3,230,775,000
Passengers	30,828,000 (described as passenger flight segments)
Information Source	2021 Form 10-K and 15 December 2021 investor presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The airline highlighted these unbundled product offerings: <ul style="list-style-type: none"> – In-flight food & beverage. – Priority boarding and screening. – Boarding pass printed at airport. – Seat selection & upgrades (middle seats provide an extra inch of width at 18 inches compared to window and aisle at 17 inches). – Call center booking. – Flight Flex (no charge for flight modification). – Reward booking fee if less than 29 days before departure (no charge before that). – Checked luggage. – Passenger usage charge for bookings via the call center, international airports, and online. – Carry-on baggage. – Spirit Saver\$ Club member as a subscription program. – Travel insurance. • During early 2021 the airline relaunched the Free Spirit frequent flyer program. The program provides point accrual for ancillary revenue purchases, points pooling and points+cash redemption. Two new credit cards were introduced which include benefits such as early boarding and a 25% rebate for buy-on-board purchases. • During 2021 Spirit generated non-fare revenues of <u>\$1,752,875,000</u>. Non-ticket revenues are derived from charges for, among other things, baggage, bookings through certain distribution channels,

	<p>advance seat selection, and loyalty programs. The “non-fare” category does not include change fee revenue (which is included in non-ticket revenue) and thus qualifies as ancillary revenue.</p> <ul style="list-style-type: none"> • Summary of the primary components of non-fare revenue: <ul style="list-style-type: none"> – Baggage: \$663,228,000. – Passenger usage fee: \$610,762,000 (per passenger fee charged for all bookings except those made at the airport). – Advance seat selection: \$215,682,000. – Other: \$263,203,000 (or \$167,747,000 net of the Free Spirit component – see below). <p>Free Spirit loyalty program revenue (see below) is included in the other category, along with travel-related commission revenue.</p> <ul style="list-style-type: none"> • Ancillary revenue, called non-ticket revenue by Spirit was improved during 2021 through these activities: <ul style="list-style-type: none"> – Dynamic pricing of a la carte items. – Better product offerings. – Improved retailing capabilities. <p>In addition, the company introduced self-service check-in kiosks enabled with self-tagging for checked bags. Kiosks also feature biometric facial identification, which may be used on an optional basis.</p> <ul style="list-style-type: none"> • The company did not disclose 2021 revenue results for the Spirit Savers Club, as it has in past years. • Per passenger segment revenue statistics for 2021: <ul style="list-style-type: none"> – Average fare: \$46.16 (\$54.63 for 2019). – Average non-ticket revenue: \$58.64 (\$56.28 for 2019). – Average total revenue: \$104.80 (\$110.91 for 2019). <p>Non-ticket revenue was higher for 2021, when compared to 2019, and average fare revenue was lower.</p> <ul style="list-style-type: none"> • Cash proceeds from the sale of Free Spirit mileage credits to non-airline third parties: <ul style="list-style-type: none"> – 2021: \$48,035,000. – 2020: \$33,201,000. – 2019: \$48,136,000. – 2018: \$39,194,000. – 2017: \$49,453,000. <p>This activity is included under non-ticket revenue.</p> <ul style="list-style-type: none"> • Operating revenue for 2021 was \$3,230,775,000.
Historical Ancillary Revenue	
2018	\$1,493,108,000

2019	\$1,800,826,000
2020	\$1,009,308,000
2021	\$1,752,875,000
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Sun Country

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$124,879,000
As a % of Revenue	20.0%
Dollars per Passenger	\$45.69
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$623,015,000
Passengers	2,733,364
Information Source	Form 10-K for the Year Ended 31 December 2021 and US DOT Bureau of Transportation Statistics
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The carrier offers these definitions: <ul style="list-style-type: none"> – Ancillary revenue consists of revenue generated from air travel-related services such as baggage fees, seat selection and upgrade fees, itinerary service fees and on-board sales. – Other revenue consists primarily of revenue from services in connection with Sun Country Vacation products, including organizing ground services, such as hotel, car and transfers. Other revenue also includes services not directly related to providing passenger services such as the advertising, marketing and brand elements resulting from the company's co-branded credit card program. In addition, other revenues also includes revenue from mail on regularly scheduled passenger aircraft (however mail activity is believed to be a nominal amount). • Sun Country derives ancillary revenue from the following activities: <ul style="list-style-type: none"> – Assigned seats (Best Seat includes an alcoholic beverage). – Change fee waiver. – Checked baggage. – Door-to-Door shuttle service. – Large carry-on. – Onboard café. – Passenger interface fee (charged for all transactions except bookings made at the airport).

	<ul style="list-style-type: none"> – Priority check-in and boarding. – Sun Country Rewards program and co-branded credit card. <ul style="list-style-type: none"> • The airline disclosed the following revenue activity for 2021: <ul style="list-style-type: none"> – Passenger ancillary: \$117,237,000. – Other ancillary: \$7,642,000. <p>Total ancillary for 2021: <u>\$124,879,000</u>.</p> <ul style="list-style-type: none"> • Operating revenue for 2021 was \$623,015,000.
Historical Ancillary Revenue	
2018	\$56,743,959
2019	\$118,175,218
2020	\$67,422,000
2021	\$124,879,000
<i>Prior Year Sources: Sun Country S-1 Registration Document 2018-2020</i>	

United

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$5,468,683,000
As a % of Revenue	22.2%
Dollars per Passenger	\$52.54
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$24,634,000,000
Passengers	104,082,000
Information Source	United Continental Holdings Form 10-K for 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • United provided this information about a la carte activity in its 2021 Form 10-K annual report: “The company charges fees, separately from ticket sales, for certain ancillary services that are directly related to passengers' travel, such as baggage fees, premium seat fees, inflight amenities fees, and other ticket-related fees. These ancillary fees are part of the travel performance obligation and, as such, are recognized as passenger revenue when the travel occurs. The company recorded \$2.2 billion, \$1.3 billion and \$3.6 billion of ancillary fees within passenger revenue in the years ended December 31, 2021, 2020 and 2019, respectively.” The \$2.2 billion amount requires adjustment because ticket change fees don't qualify as a la carte activity. Change fees for 2021 were \$57,317,000 million (US DOT) and the

adjusted ancillary revenue for 2021 is \$2,142,683,000.

- Ancillary revenue related highlights from 2021 include the following activities:
 - United's NEXT program plans to provide seatback video in every aircraft and the industry's fastest Wifi.
 - A new United Polaris lounge at Washington Dulles and re-opened all other United Polaris lounges except Los Angeles. In addition, in the fourth quarter, completed the reopening of its domestic United Club network (excluding Phoenix) and re-opened the first international club at London Heathrow.
 - Expanded beer, wine and snacks to nearly all flights over two hours.
 - United claims to be the first U.S. airline to offer economy customers the option to pre-order snacks and beverages.
- United's NEXT Investor Event (29 June 2021) presentation included details about premium seating:
 - Average premium seats (first class and Economy Plus) per short-haul flight was 31 for 2019.
 - This is expected to increase to 39 for 2022, and 53 by 2026 (which represents 75% increase above the 2019 average).
- Andrew Nocella, CCO, disclosed the following during the 4th quarter 2021 investor call:
 - MileagePlus added 5.6 million members for the year (this suggests total membership is now 106+ million).
 - The usual pace of new members has been 2.5 to 3 million per year.
 - More co-branded credit card accounts were added in the first half of 2021 than during the same period of 2019.
- In 2021, approximately 3.6 million MileagePlus flight awards were used on United and United Express. These awards represented approximately 7% of United's total revenue passenger miles. Total miles redeemed for flights on United and United Express, including class-of-service upgrades, represented approximately 90% (2020: 80%) of the total miles redeemed. In addition, excluding miles redeemed for flights on United and United Express, MileagePlus members redeemed miles for approximately 1.0 million (2020: 0.8 million) other awards. These awards include United Club memberships, car and hotel awards, merchandise and flights on other air

	<p>carriers. Redemptions in 2021 were adversely impacted by the COVID-19 pandemic and decreased 37% as compared to 2019 redemptions.</p> <ul style="list-style-type: none"> • United listed these MileagePlus income statement items in its annual report: <ul style="list-style-type: none"> – Travel miles redeemed (passenger revenue): \$1,171,000,000. – Non-travel miles redeemed (revenue): \$67,000,000. – Other operating revenue, loyalty program: \$2,088,000,000. <p>The above totals \$3,326,000,000.</p> <ul style="list-style-type: none"> • Total ancillary revenue for 2021 was <u>\$5,468,683,000</u> from these two sources: <ul style="list-style-type: none"> – Adjusted ancillary revenue (see notes above): \$2,142,683,000. – MileagePlus activity: \$3.326 billion. • This data was provided to United's management prior to publication of this report. The company did not confirm or deny the accuracy of the data. • United revenue for 2021 was \$24,634,000,000.
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Historical Ancillary Revenue	
2018	\$5,802,000,000
2019	\$6,580,000,000
2020	\$3,319,515,000
2021	\$5,468,683,000
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

Viva Aerobus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$453,993,164
As a % of Revenue	44.8%
Dollars per Passenger	\$29.73
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,013,783,624
Passengers	15,268,000
Information Source	4Q & FY 2021 earnings release Grupo Viva Aerobus
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Mexican pesos (MXN). • Viva Aerobus derives ancillary revenue from the following activities:

	<ul style="list-style-type: none"> - Baby Package allowing stroller drop off and retrieval at the aircraft door. - Boarding pass printed at airport. - Branded fares (Zero, Light, Extra, Smart). - Car rental, hotel, and vacation home booking. - Checked bags. - Co-branded credit card. - Cross Border Xpress (direct border crossing to Tijuana Airport from US). - Deferred payment (Uplift). - Extra heavy carry-on bag. - Flex Pass (allows itinerary charges). - Full refund (no questions asked refund). - Pet carriage (in cabin or in hold). - Seat assignment (VIP Priority, Space+, and Regular). - Travel insurance. - VIP Pass (early boarding). - Viva Bus (airport ground transportation). - Viva Express (priority check-in). - Viva Taxis. - Viva Viajes (vacations). • Ancillary revenue reached <u>MXN 9,077,422,000</u> for 2021 which is a 108.3% increase compared to 2020. • Revenue for 2021 was MXN 20,270,221,000.
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Historical Ancillary Revenue	
2018	\$239,682,841
2019	\$303,365,676
2020	\$189,518,219
2021	\$453,993,164
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

Volaris

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$958,296,305
As a % of Revenue	42.9%
Dollars per Passenger	\$39.27
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$2,233,707,522
Passengers	24,405,000 (passenger segments flown)

Information Source	Volaris Aviation Holding Company SEC Form 20-F for 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are Mexican pesos (MXN) unless otherwise stated. • Volaris is a self-described “ultra-low-cost carrier” based in Mexico. The carrier refers to ancillary revenue as “non-ticket revenue.” • The airline ancillary activities include the following: <ul style="list-style-type: none"> – Charging for excess baggage. – Utilizing excess aircraft belly space to transport cargo. – Passing through all distribution-related expenses. – Charging for advance seat selection, extra legroom, and carriage of sports equipment. – Consistently enforcing ticketing policies, including change fees. – Generating subscription fees from the V-Club ultra-low-fare subscription service. – Deriving brand-based fees from proprietary services, such as the Volaris affinity credit card program. – Selling itinerary attachments, such as hotel and car rental reservations and airport parking. – Making available trip interruption insurance through third parties. – Selling onboard advertising. <p>Cargo and change fees do not qualify as ancillary revenue under the definition used for this yearbook.</p> • Ancillary revenue was disclosed as MXN 795 (2020: MXN 659) per booked passenger for 2021, for a total amount of MXN 19,401,975,000 (795 x 24,405,000 passengers). Deducting cargo revenue of MXN 241,202,000 provides an adjusted ancillary revenue result of <u>MXN 19,160,773,000</u>. Unfortunately, the airline does not disclose change fees, which should also be deducted from the total. • Members of the V-Club have exclusive access to the lowest fares and promotions through the Volaris website. The subscription program had 654,000 members at the end of 2021 (2020: 395,940) which represents a 65% year-over-year increase. V-Club subscriptions accounted for approximately 0.5% of “other passenger revenues” in 2021 and this represents MXN 87,971,115 (0.005 x MXN 17,594,223,000). • The airline also generates revenue from its affinity credit card such as electronic flight credit rewards earned through credit card purchases. Revenue from the Volaris affinity credit card accounted for 2%

	<p>of non-passenger revenue (.02 x MXN 1,558,092,000) which equals MXN 31,161,840 for 2021. There were 366,000 affinity credit cardholders at the end of 2021. Affinity card revenue for Volaris is MXN 85 (\$4.25) per account.</p> <ul style="list-style-type: none"> • The following are other a la carte services offered by Volaris: <ul style="list-style-type: none"> – Vpass is the monthly subscription program, by which the holder has the right to book one flight per month and pay only taxes in any domestic route of Volaris. – YA VAS vacation packages. – Hold Your Fare 72-hour payment window. – Cross Border Xpress service to cross the border between Tijuana and San Diego more quickly and safely. – Flexibility Combo for unlimited time and date changes with no additional fare. – Business Combo includes unlimited time and date changes, fare hold, seat assignment, and additional carry-on allowance. – More Speed Combo includes priority boarding, priority screening and seat assignment. – More Baggage Combo includes extra carry-on, checked bag, and checked sports equipment. – VEMpressa (vBusiness) subscription plan for businesses which offers unlimited time and date changes, seat selection, large carry-on, and fare hold. – “Volaris is with you” assists minors under 18 and elderly passengers who are traveling unaccompanied and need assistance from the airport of origin until their final destination (MXN 669 fee). • The following describes the carrier’s sales activity by distribution channel: <ul style="list-style-type: none"> – Website and mobile app: 78.1%. – Call center: 3.3%. – Third party travel agents: 17.3%. – Airport counters: 1.3%. • Revenue for 2021 was MXN 44,662,139,000.
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Historical Ancillary Revenue	
2018	\$442,275,728
2019	\$612,788,315
2020	\$415,901,030
2021	\$958,296,305

Source: current and prior year editions of the Yearbook of Ancillary Revenue.

Non-Reporting Carriers for the Americas

The following airlines did not reveal ancillary revenue activity for the most recent full year period (additional search notes are also provided):

Air Transat (no disclosure of air revenues), Avelo, Flair Airlines (Canada), Flybondi (Argentina), Jetlines (Canada), JetSMART (Chile), JSX Air, OWG Airlines, Porter (privately held), Sky Airline (Chile), Sky Cana, Sunwing (owned by WestJet), Ultra Air, and WestJet (now privately held).

Carriers are invited to contact IdeaWorksCompany directly to provide feedback on the statistics provided in this report. Airlines also may directly disclose their ancillary revenue activities to IdeaWorksCompany for inclusion in next year's report. Please send your comments to Jay "at" IdeaWorksCompany.com.

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Bob Bahlman

Business restructuring and segment analysis. Former SVP and CFO, Midwest Air Group.



Ben Baldanza

Airline management and strategy. Former CEO, Spirit Airlines; manager at American, Avianca/Taca, Continental, Northwest and US Air.



Jerry Scott

People diversity and affirmative action. Former executive and manager Midwest Express and Eastern.



Michael Smith

Loyalty partnerships and fraud prevention. Managing partner, Airline Information; former FFP manager, British Airways.



Dinaz Zaq

Revenue management and pricing. Former revenue management executive, British Airways.



Jay Sorensen

Ancillary revenue and loyalty marketing. Former marketing and operations executive, Midwest Airlines; founder and president, IdeaWorksCompany.

IdeaWorksCompany: We are travel people

Reach Jay Sorensen, President, direct
at Jay@IdeaWorksCompany.com



Asia and the South Pacific

Air Astana

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$6,324,000
As a % of Revenue	1.0%
Dollars per Passenger	\$1.78
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$659,470,000
Passengers	3,560,000
Information Source	Air Astana Integrated Annual Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The results exclude FlyArystan; please refer to the separate listing for this wholly owned LCC. • Ancillary revenue for 2021 was represented by baggage charges and advertising sales: <ul style="list-style-type: none"> – Revenue from excess baggage charges: \$5,718,000. – Revenue from the sale of advertising: \$606,000. • Disclosed ancillary revenue activity for 2021 was <u>\$6,324,000</u>. • Air Astana does not provide separate revenue disclosures for baggage and advertising for its traditional airline and LCC. The LCC charges for the first bag checked, which technically does not represent “excess baggage.” As such, the excess baggage disclosed is attributed to the traditional airline. Advertising revenue is also attributed to the traditional airline. • Revenue for 2021 was \$659,470,000.
Historical Ancillary Revenue	
2018	\$6,160,000
2019	\$6,475,000 (includes FlyArystan)
2020	\$3,949,000 (includes FlyArystan)
2021	\$6,324,000 (excludes FlyArystan)
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Air China Group

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$246,133,218
As a % of Revenue	2.1%

Dollars per Passenger	\$3.56
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$11,521,762,493
Passengers	69,045,170
Information Source	Air China Limited 2021 Annual Report and 2021 Annual Results
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in China yuan (CNY). • The Phoenix Miles program has 72,065,600 members, and member activity represented 56.8% (2020: 52.3%) of revenue. • For 2019 the airline disclosed seat assignment and prepaid baggage revenue equivalent to CNY 1.39 per passenger; a similar disclosure was not made for 2020. The CNY 1.39 rate is assumed to have increased to CNY 1.50 through better retailing. When applied to 2021 traffic of 69,045,170 passengers, the result is CNY 106.6 million. • Total ancillary revenue for Air China during 2021 was <u>CNY 1,592,180,000</u> and is represented by these sources: <ul style="list-style-type: none"> – Seat assignment and prepaid baggage: CNY 106,600,000. – Phoenix Miles revenue: CNY 1,485,580,000. • Mobile app users numbered 14.2 (2020: 12.34) million at the end of 2021. • The sales group added 407 major corporate accounts, bringing the total to 3,861 major accounts. • Results from the following passenger airline subsidiaries are included in Air China Group results (ownership shares): <ul style="list-style-type: none"> – Shenzhen Airlines (including Kunming Airlines): 51%. – Air Macau: 66.92%. – Dalian Airlines: 80%. – Air China Inner Mongolia: 80%. – Shandong Airlines: 22.8%. (Beijing Airlines is a business charter operation). • Total traffic for the above subsidiaries: 46.92 million passengers. This suggests Air China (without subsidiaries) carried 22.13 million passengers. Total revenue for the above subsidiaries was CNY 34.11 billion. This suggests Air China (without subsidiaries) revenue was CNY 40.42 billion. • Total revenue for 2021 was CNY 74,531,670,000.
Historical Ancillary Revenue	

2018	\$138,602,255
2019	\$345,004,773
2020	\$230,806,795
2021	\$246,133,218
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Air India

Source and Type	Checked baggage fees
Ancillary Revenue	\$21,167,254
As a % of Revenue	1.5%
Dollars per Passenger	\$3.41
Financial Period	Fiscal Year ended 31 March 2021 (FY 2020/21)
Total Revenue	\$1,386,736,086
Passengers	6,200,000
Information Source	Annual Report of Air India for Fiscal 2020/21
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in India rupees (INR). • Fiscal 2020/21 is the most recent reporting period for Air India. • The Tata Group announced the completion of its acquisition of Air India and Air India Express January 2021. • Ancillary revenue disclosed for FY 2020/21 was represented by baggage charges of <u>INR 1,578,500,000</u>. • Total Flying Returns membership on 31 March 2021 was 3,082,822. Elite tier membership was: <ul style="list-style-type: none"> – The Maharaja Club 1,831. – Golden Edge Club 3,000. – Silver Edge Club 13,117. • Total operating revenue from operations for FY 2020/21 was INR 103,412,700,000. • FY 2017/18 – FY 2019/20 commentary (see data below): Baggage revenue for FY-2017/18 was significantly higher than FY 2019/20.

Historical Ancillary Revenue

FY 2017/18	\$34,903,952
FY 2018/19	\$17,472,671
FY 2019/20	\$29,378,452
FY 2020/21	\$21,167,254

Source: current and prior year editions of the Yearbook of Ancillary Revenue.

Air India Express

Source and Type	Checked baggage fees
Ancillary Revenue	\$8,438,339
As a % of Revenue	3.3%
Dollars per Passenger	\$5.74
Financial Period	Fiscal Year ended 31 March 2021 (FY 2020/21)
Total Revenue	\$258,153,875
Passengers	1,470,000
Information Source	Annual Report of Air India Express Limited for Fiscal 2020/21
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in India rupees (INR). • Fiscal 2020/21 is the most recent reporting period for Air India Express. • The Tata Group announced the completion of its acquisition of Air India and Air India Express January 2021. • Ancillary revenue disclosed for FY 2020/21 was represented by baggage charges which equaled <u>INR 629,270,000</u>. • The following ancillary revenue services are offered: <ul style="list-style-type: none"> – Excess baggage. – Pre-order meals. – Assigned seating, to include exit row and extra leg room. – Visa services. <p>The airline continues to serve complimentary snack box and coffee/tea to passengers who do not opt for the paid meals.</p> • Total revenue for FY 2020/21 was INR 19,251,240,000.
Historical Ancillary Revenue	
FY 2017/18	\$9,822,710
FY 2018/19	\$9,056,382
FY 2019/20	\$10,185,263
FY 2020/21	\$8,438,339
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Air New Zealand

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$332,104,919

As a % of Revenue	20.4%
Dollars per Passenger	\$38.40
Financial Period	Fiscal year ended 30 June 2021
Total Revenue	\$1,629,450,452
Passengers	8,649,000
Information Source	Annual Financial Results 2021 Report and Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in New Zealand dollars (NZD). • The fiscal year ended 30 June 2021 (FY 2021) is the most recent full reporting period for Air New Zealand, and largely represents pre-pandemic results. • Air New Zealand has a history of describing ancillary revenue activities in its investor documents, without disclosing a specific revenue amount. For FY 2021, the following financial disclosures, when added together, provide a reasonable assessment of the carrier's ancillary revenue: <ul style="list-style-type: none"> – Loyalty program (Airpoints): NZD 396 million. This consists of NZD 175 million current revenue in advance and NZD 221 million non-current revenue in advance. This is actually considered a liability, but it can approximately reflect annual revenue if the activity is consistent year over year; the prior year's total activity was NZD 428 million. The program has 3.6 million members (FY 2020: 3.2 million). – Other revenue: NZD 117 million. The airline defines this as including lounge revenue, Koru membership subscriptions, commissions and fees. This is largely consistent with ancillary revenue. Total ancillary revenue for FY 2021 is <u>NZD 513,000,000</u>. • Total revenue for fiscal year FY 2021 was NZD 2,517,000,000.
Historical Ancillary Revenue	
FY 2019	\$405,755,451
FY 2020	\$425,327,353
FY 2021	\$332,104,919
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

AirAsia Aviation Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$60,794,048

As a % of Revenue	27.8%
Dollars per Passenger	\$12.63
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$218,497,929
Passengers	4,812,364
Information Source	Capital A 2021 Annual Report, Capital A 4 th Quarter 2021 Report, Capital A Annual Audited Results for 2021, and Capital A 4Q 2021 and FY 2021 Financial Results Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Malaysian ringgit (MYR). • AirAsia Group has renamed itself Capital A, and is a holding company with a portfolio of travel and lifestyle brands consisting of four business sectors: <ul style="list-style-type: none"> – Aviation (airlines, Santan, GTR). – Digital (AirAsia Super App, Teleport, BigLife, BigPay). – Ventures (AirAsia Academy, AirAsia Grocer, IKHLAS, among others). – Engineering (Asia Digital Engineering). • The 2021 roster of AirAsia Aviation Group includes: AirAsia Malaysia, AirAsia Indonesia, and AirAsia Philippines. • BigLife (formerly branded BIG Loyalty) became a wholly owned entity of Capital A Group during 2021. • The AirAsia Super App, with 8.5 million active monthly users at the end of 2021, includes these components: <ul style="list-style-type: none"> – AirAsia Travel: The mobile app now operates as a full-fledged online travel agent with IATA accreditation with booking capability on 700+ airlines. – Air Asia Food: More than 24,000 small and medium size merchants now sell food across Malaysia, Thailand, Singapore and Indonesia combined with AirAsia food delivery service. – AirAsia Ride: Provides access to more than 8,000 drivers. – BigPay: Offering financial and payment services to more than one million cardholders. – Teleport: Delivery services designed for merchants and companies across Asia. • Revenue detail for the airlines is not fully disclosed as it was prior to 2021. Capital A did disclose “passenger seat sales” revenue of MYR 655,823,000 for 2021. In addition, “other passenger revenue” was MYR 252,840,000. This likely represents ancillary

	<p>revenue associated with airline operations. Total revenue for the AirAsia Aviation Group would be MYR 908,663,000, of which <u>MYR 252,823,000</u> represents ancillary revenue, or 27.8% of revenue. This result is consistent with high-performing low cost carriers.</p> <ul style="list-style-type: none"> • 2021 Passenger traffic for each airline: <ul style="list-style-type: none"> – AirAsia Malaysia: 3,134,764. – AirAsia Indonesia: 801,673. – AirAsia Philippines: 875,927. • Aviation Group (airline) 2021 revenue was MYR 908,663,000. • 2021 commentary (see data below): AirAsia Aviation Group is restricted to airline activities, whereas the former AirAsia Group included a broader array of ancillary revenue product activities.
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Historical Ancillary Revenue	
2018	\$764,756,815 (AirAsia Group)
2019	\$506,131,114 (AirAsia Group)
2020	\$128,523,423 (AirAsia Group)
2021	\$60,794,048 (AirAsia Aviation Group)
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

AirAsia X

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$42,282,646
As a % of Revenue	18.1%
Dollars per Passenger	\$37.03
Financial Period	Special period: 01 January 2020 – 30 June 2021
Total Revenue	\$233,466,620
Passengers	1,141,713
Information Source	AirAsia X 2020/2021 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Malaysian ringgit (MYR). • The airline entered restructuring during 2020. Shareholders approved a restructuring plan in June 2021. The company changed to a fiscal year ending 30 June, with a special 18-month reporting period for 2020/2021. With the exception of the January-March 2020 period, the airline was largely shut down during the 18-month period. • The carrier's classification as a high-performing LCC was lowered to a regular LCC in this yearbook.

	<ul style="list-style-type: none"> Ancillary revenue disclosed for the special 18-month period was MYR 175,840,000. The airline defines this activity as: assigned seats, cancellation, documentation and other fees, and on-board sale of meals and merchandise. Passenger traffic totals for the 18-month period: <ul style="list-style-type: none"> January-March 2020: 1,141,713. April 2020-December 2021: Not significant. Revenue from contracts with customers was MYR 970,913,000 for the 18-month period.
Historical Ancillary Revenue	
2018	\$211,409,473
2019	\$198,455,655
2020	<i>See below - special 18-month reporting period ending June 2021</i>
2021	\$42,282,646
<i>Prior Year Sources: Yearbook of Ancillary Revenue for 2019-2021.</i>	

ANA Group

Source and Type	Primarily from travel and consumer retail services
Ancillary Revenue	\$936,899,188
As a % of Revenue	10.2%
Dollars per Passenger	\$49.88
Financial Period	Year ended 31 March 2022 (FY 2021)
Total Revenue	\$9,146,667,697
Passengers	18,784,749
Information Source	ANA Holdings Financial Results for the period ended 31 March 2022 and financial results presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in Japan yen (JPY). Results include low cost operations of Vanilla Air and Peach Aviation. The airline disclosed three areas which include ancillary revenue activity for FY 2021: <ul style="list-style-type: none"> Air Transportation (Others subcategory) includes ancillary revenue activities such as inflight sales (likely duty free) and revenue produced by the frequent flyer program (likely co-branded credit card). The subcategory also includes non-qualifying activities such as maintenance contracts. FY 2021 revenue was JPY 135.4 billion. This category is not included in the ancillary revenue total.

	<ul style="list-style-type: none"> - Airline Related category includes ancillary revenue related services such as the sale of inflight meals. But it also includes contract services provided to other airlines at airports, which likely represents a large portion of this category. FY 2021 revenue from external customers was 43.613 billion. This category is not included in the ancillary revenue total. - Travel Services category includes vacation package sales and the ANA X unit which develops consumer lifestyle point accrual and redemption opportunities linked to the loyalty program. FY 2021 revenue from external customers was JPY 32.13 billion. - Trade and Retail category operates airport retail locations. ANA Festa shops are located at 32 airports around Japan. FY 2021 revenue from external customers was JPY 72.38 billion. <p>Two of the above activities (Travel Services, and Trade and Retail) largely represent qualifying ancillary revenue activity and total <u>JPY 104,510,000,000</u>.</p> <ul style="list-style-type: none"> • ANA X Inc. is the carrier's "customer asset business" which principally consists of the ANA Mileage Club (which has 38,000,000 members) and the company's marketing database. • ANA Group launched a mobile application service called "ANA Pocket" in December 2021, which allows users to earn points not only for air travel, but also for walking (exercise) and travel on trains as well as other vehicles within Japan that can be converted into ANA miles and other perks. • ANA will launch a medium-haul airline called AirJapan in FY 2023. • Total revenue for FY 2021 was JPY 1,020,300,000,000. • FY 2018 – FY 2019 commentary (see data below): FY 2018 results consisted of income (profit) from travel services and trade & retail. Better disclosures for FY 2019 (and onwards) indicate "operating revenue" from travel services, which more accurately portrays ancillary revenue.
Historical Ancillary Revenue	
FY 2018	\$38,956,798
FY 2019	\$1,540,337,459
FY 2020	\$418,619,826

FY 2021	\$936,899,188
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Bangkok Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$6,393,865
As a % of Revenue	3.6%
Dollars per Passenger	\$11.92
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$176,663,634
Passengers	536,300
Information Source	Annual Report 2021 and Bangkok Airways Opportunity Day Presentation 04 March 2022
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Thai bhat (THB). • Ancillary revenue for 2021 is represented by “Baggage fee and other service income” of <u>THB 205,138,000</u> from the non-consolidated results, which reflect those of the airline alone and not the group. Results from 2019 and 2020 were corrected to reflect only non-consolidated results. • The following are examples of the carrier’s ancillary revenue activities: <ul style="list-style-type: none"> – Airport lounges (upgrade to Blue Ribbon Lounge). – Airport meet and greet services. – Airport transfer and limousine. – Car rental. – Empty adjoining seat. – Excess baggage. – Extra leg room or front of cabin seating. – Hotel booking. – Inflight shopping. – Luggage storage and delivery. – Tours and activities, including Get Your Guide and TakeMeTour. – Trip insurance. • The airline offers complimentary lounges for all passengers. Economy class lounges offer passengers free snacks, beverages and Internet access. Separate business class lounges offer hot meals, and shower rooms. • 38% of revenues are generated by BangkokAir.com. • The company owns and operates three airports, namely Samui Airport, Trat Airport and Sukhothai Airport. • Total revenue for 2021 was THB 5,668,000,000.

Historical Ancillary Revenue	
2018	No data
2019	\$29,630,377 (corrected)
2020	\$13,900,019 (corrected)
2021	\$6,393,865
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

Cebu Pacific

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$42,598,824
As a % of Revenue	13.4%
Dollars per Passenger	\$12.49
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$319,017,526
Passengers	3,411,000
Information Source	Cebu Pacific Annual Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Philippine pesos (PHP). Results include CEBGO (formerly Tiger Airways Philippines). • The company offers ancillary services such as inflight merchandising (sale of duty-free products on international flights), baggage, and travel-related products and services. The definition also includes cancellation fees which IdeaWorksCompany does not consider ancillary revenue. • Cebu Pacific offers the following branded products: <ul style="list-style-type: none"> – CEB Biz (discount and services program for business). – CEB Fare Bundles (Basic, Easy, Flexi). – CEB Flexi (allows free of charge rebooking). – CEB Health Protect (insurance beyond travel). – CEB Meals (pre-order meals). – CEB Mobile App. – CEB Prepaid Baggage. – CEB Seat Selector. – CEB Smile onboard magazine. – CEB Sports Equipment (baggage). – CEB Surfboard (allows space to be reserved). – CEB Transfers (airport transfer). – CEB Travelsure (travel insurance). – Fun Café (buy-on-board food). – Go Rewards (loyalty and lifestyle rewards program). – Payment Options (includes 7-Eleven stores).

	<ul style="list-style-type: none"> • In July 2021 the company's Getgo loyalty program was replaced with Go Rewards. • The company disclosed ancillary revenue of PHP 2,980,586,682 for 2021, which includes non-qualifying activity. Total ancillary revenue from qualifying activity was PHP <u>2,101,883,670</u> and consisted of the following: <ul style="list-style-type: none"> – Baggage charges: PHP 1,052,549,979. – Inflight sales, advance seat selection fee, reservation booking fees and others: PHP 1,049,333,691. • Total revenue for 2020 was PHP 15,740,756,856.
Historical Ancillary Revenue	
2018	\$171,318,581
2019	\$214,825,683
2020	\$57,367,571
2021	\$42,598,824
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

China Eastern Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$247,651,281
As a % of Revenue	2.4%
Dollars per Passenger	\$3.13
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$10,377,083,338
Passengers	79,099,060
Information Source	China Eastern Annual Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in China yuan (CNY). • China Eastern offers limited disclosure of activities which qualify as ancillary revenue: Revenue from Contracts with Customers includes the category of revenue produced by the Eastern Miles frequent flyer program. An evaluation of specifically disclosed activities under this category suggests the "Others" is a category with a focus on loyalty and other a la carte revenue: <u>CNY 1,602,000,000</u>, representing 2021 ancillary revenue for the company. • The Eastern Miles frequent flyer program has 48,150,000 members, which represents a 6.5%

	<p>increase above 2020. The program was re-launched globally in 2021.</p> <ul style="list-style-type: none"> • The annual report refers to “auxiliary products” as the equivalent to ancillary revenue. The airline worked to increase this revenue through promotion of preferred seating, prepaid luggage, and airport lounge access. • The group includes these subsidiary airlines: Eastern Air Jiangsu, Eastern Air Wuhan, Eastern Air Yunnan, Shanghai Airlines, China United Airlines, OTT Airlines. These subsidiary airlines total CNY 24,798,000,000 revenue and 37,269,760 passengers. • Revenue for 2021 was CNY 67,127,000,000.
Historical Ancillary Revenue	
2018	\$328,443,511
2019	\$421,477,912
2020	\$188,934,822
2021	\$247,651,281
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

China Southern Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$355,708,862
As a % of Revenue	2.3%
Dollars per Passenger	\$3.61
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$15,713,025,441
Passengers	98,504,660
Information Source	China Southern Airlines Annual Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in China yuan (CNY). • Membership for the Sky Pearl program is listed as 60+ million at the website. • The annual report refers to “auxiliary products” as the equivalent to ancillary revenue. • China Southern offers limited disclosure of activities which qualify as ancillary revenue: <ul style="list-style-type: none"> – Income produced by hotel and tour services: CNY 538,000,000. – Frequent flyer revenue recognized at beginning of the year: CNY 1,344,000,000.

	<ul style="list-style-type: none"> – Frequent flyer revenue recognized during the year: CNY 419,000.000. The total for the above is: <u>CNY 2,301,000,000.</u> • The “Luggage Home” service was introduced during 2021 which provides home delivery of checked baggage for a fee. The service is offered at 19 airports in China and provides delivery to the home (arrivals) and to the airport (departures). Real-time tracking of baggage is provided through the China Southern mobile app. • The group includes these subsidiary airlines: Xiamen Airlines, Shantou Airlines, Zhuhai Airlines, Guizhou Airlines, Chongqing Airlines, and Henan Airlines. • Total revenue for 2021: CNY 101,644,000,000. • 2019 – 2020 commentary: The disclosure of frequent flyer program revenue was a new item for 2020.
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Historical Ancillary Revenue	
2018	\$102,175,708
2019	\$103,910,067
2020	\$223,723,719
2021	\$355,708,862
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

FlyArystan

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$39,118,250
As a % of Revenue	25.0%
Dollars per Passenger	\$12.77
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$156,473,000
Passengers	3,062,623
Information Source	Air Astana Integrated Annual Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • FlyArystan is the low cost airline subsidiary of Air Astana. The LCC began operations in 2019. The carrier operates domestic and international routes. • The carrier’s ancillary revenue efforts were highlighted in the 2020 annual report of Air Astana: “FlyArystan has embarked on a significant ancillary revenue push and is targeting 25% of revenue from ancillary sources in 2021 – in line with leading LCCs

	<p>globally. Initiatives include revised baggage and seat charges, enforcement of hand-luggage rules and introduction of MyMail (a mail service for shipments of medicine and personal belongings up to 5kg) on FlyArystan flights.”</p> <ul style="list-style-type: none"> • Air Astana did not make a specific disclosure for 2021 regarding FlyArystan’s ancillary revenue. However, the company reported 2021 profitable results for FlyArystan and the traffic trend was positive. This suggests the LCC met its 25% ancillary revenue objective, and accordingly it will be applied as a 2021 result: <u>\$39,118,250</u> (25% x \$156,473,000). • FlyArystan’s self-service strategy, which launched in March 2022, will progressively remove check-in desks at all domestic airports. Passengers will need to check in via the FlyArystan mobile app or pay to check in using an airport kiosk. This will increase airport efficiency while at the same time reducing the cost of operating and staffing check-in desks. FlyArystan will also be launching a membership program. Membership will be accessed via a paid subscription that offers discounts on products and early access to sale fares. • Revenue for 2021 was \$156,473,000. • This data was provided to FlyArystan’s management prior to publication of this report. The company did not confirm or deny the accuracy of the data.
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Historical Ancillary Revenue	
2018	<i>No data – began operations 2019</i>
2019	<i>No data</i>
2020	<i>No data</i>
2021	\$39,118,250
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Garuda Indonesia Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$21,382,496
As a % of Revenue	1.6%
Dollars per Passenger	\$1.95
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,336,678,470
Passengers	10,960,000

Information Source	Garuda Indonesia Annual Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The results include the Citilink subsidiary. • The airline offers this description of ancillary revenue which largely corresponds to the IdeaWorksCompany definition: "Ancillary revenue is non-ticket revenue received by the company, generated either through direct or indirect sales to passengers as part of the travel experience. Ancillary revenues include: a la carte features, commission-based products, frequent flyer programs, and advertising sales." • The airline noted the following loyalty and ancillary revenue activities for 2021: <ul style="list-style-type: none"> – Mileage purchase through the Garuda mobile app. – Non-flight partners were added for mileage accrual. – Promotions to accrue miles through shopping. • GarudaMiles membership dropped 5.28% during the year as the company removed inactive accounts. Total year-end membership was 1,761,180. • Ancillary revenue disclosed for 2021 was <u>\$21,382,496</u>, which was down 72.75% from 2020 results. • Total passenger airline revenue for 2021 was \$1,336,678,470.
Historical Ancillary Revenue	
2018	\$107,520,534
2019	\$87,259,483
2020	\$38,136,637
2021	\$21,382,496
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

HK Express

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$705,672
As a % of Revenue	27.4%
Dollars per Passenger	\$88.21
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$2,575,446
Passengers	8,000
Information Source	Cathay Pacific Annual Report 2021

Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Hong Kong dollars (HKD). • Cathay Pacific owns 100% of Hong Kong Express Airways Limited. HK Express is a Hong Kong based low-cost carrier, focusing on leisure travel destinations. • Ancillary revenue penetration for 2021 as a percentage of total revenue was 27.4% (2020: 18.8%). This included non-flight scheduled revenue, which arises from the sale of baggage, priority boarding, allocated seats and administration fees, all directly attributable to the low-fare business of HK Express. Multiplying this rate by 2021 revenue provides ancillary revenue of <u>HKD 5,480,000</u>. • The following are examples of the carrier's ancillary revenue activities: <ul style="list-style-type: none"> – Airport transfers. – Booking fee (call center or convenience store). – Bundled fares. – Checked baggage. – Duty-free shopping. – Extra seat (empty adjacent seat). – Seating: Standard, Upfront, and Sweet Seats (row one and exit rows with extra leg room). – Hotel, car rental, and activity bookings. – Onboard café (includes onboard SIM card sales). – U-first: priority check-in, boarding, and baggage. – U-FLY Holidays (packages). • Total revenue for 2021 was HKD 20,000,000 (a significant decrease from the 2020 level of HKD 861,000,000).
Historical Ancillary Revenue	
2018	No data
2019	\$52,575,003
2020	\$20,884,103
2021	\$705,672
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

IndiGo

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$293,125,421
As a % of Revenue	8.2%
Dollars per Passenger	\$6.28
Financial Period	Fiscal 2021/21 year ended 31 March 2022

Total Revenue	\$3,574,567,257
Passengers	46,683,054
Information Source	IndiGo's Quarterly Financial Results for fiscal year 2021/22 and operational statistics from the website
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in India rupees (INR). IndiGo disclosed quarterly ancillary revenue throughout FY 2021/22: <ul style="list-style-type: none"> Quarter 1: INR 6,683 million. Quarter 2: INR 8,177 million. Quarter 3: INR 11,417 million. Quarter 4: INR 10,583 million. The above activity totals INR 36,860,000,000. The activity includes cargo and ticket change fees, which are not considered ancillary revenue. The carrier's cargo activity increased significantly with the start of the pandemic. For FY 2020/21, cargo revenue was disclosed as INR 11,451,020,000. The airline disclosed cargo revenue for FY 2021/22 grew by 31%, which equals INR 15,000,836,200. Accordingly, this amount is deducted from the ancillary revenue shown above to generate FY 2021/22 adjusted ancillary revenue of <u>INR 21,859,163,800</u>. Total passenger airline revenue for FY 2021/22 was INR 266,565,250,000.
Historical Ancillary Revenue	
FY 2018/19	\$309,840,106
FY 2019/20	\$400,912,022
FY 2020/21	\$204,326,962
FY 2021/20	\$293,125,421
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Japan Airlines Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$873,438,185
As a % of Revenue	14.3%
Dollars per Passenger	\$50.98
Financial Period	Fiscal year 31 March 2022 (FY 2021)
Total Revenue	\$6,120,306,717
Passengers	17,131,304

	<i>(for full service carriers)</i>
Information Source	Japan Airlines Consolidated Financial Results for the year ended March 31, 2022 and JAL Group Medium-Term Management Plan 2021-2025 (Rolling Plan 2022) presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Japan yen (JPY). • The company's results include these domestic operations: Japan Airlines Co., Ltd., Japan Transocean Air Co., Ltd., Japan Air Commuter Co., Ltd., and J-Air Co., Ltd., Ryukyu Air Commuter Co., Ltd., and Hokkaido Air System Co., Ltd. Japan Airlines is the company's primary international carrier. • The company also operates Zipair as a low cost carrier, which carried 108,579 passengers during 2021. This result includes a small contribution by Spring Airlines Japan, which was acquired in 2021. • JAL is making significant effort to build a "Mileage and Lifestyle" business linked to its JAL Mileage Bank frequent flyer program under the JALUX brand. This activity identified as one of four major business areas. FY 2025 sales are anticipated to be JPY 330 billion with a profit of JPY 65 billion. This program provides mileage participation and benefits in the following lifestyle areas: <ul style="list-style-type: none"> – Communication (mobile). – Education. – Entertainment. – Financial services. – Ground mobility. – Housing. – Local products and groceries. – Marriage. – Medical care. – Nursing care. – Retail such as clothing and e-commerce. – Travel. – Utilities (consumer). • JALPAK, the carrier's vacation package company, reported revenue activity for FY 2021: JPY 47.383 billion (included in Other revenue under the non-air transportation category). • JAL Card, the company's co-branded credit card operation and Mileage Bank, reported revenue activity during FY 2021: JPY 48.99 billion (included in Other revenue under the non-air transportation category). • Ancillary revenue for FY 2021 is <u>JPY 97,431,000,000</u> and consisted of the following qualifying activities:

	<ul style="list-style-type: none"> – Luggage operations international: JPY 746,000,000. – Luggage operations domestic: JPY 312,000,000. – JALPAK: 47,383,000,000. – JAL Card: 48,990,000,000. • Operating revenue disclosed for FY 2021: JPY 682,713,000,000.
Historical Ancillary Revenue	
FY 2019	<i>No data</i>
FY 2020	<i>No data</i>
FY 2021	\$801,824,415
FY 2022	\$873,438,185
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Jeju Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$33,495,750
As a % of Revenue	14.0%
Dollars per Passenger	\$5.14
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$238,680,135
Passengers	6,511,000
Information Source	Jeju Air 2021 Earnings Release
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Korean won (KRW). • Ancillary revenue and other revenue disclosed for the group was <u>KRW 38,000,000,000</u> for 2021, which represents a 34.9% decrease from 2020. • The airline promotes the following ancillary revenue activities at its website: <ul style="list-style-type: none"> – Advance seat assignment. – Air café. – Bundled fares. – Hotel and car hire booking. – Inflight shopping. – Pre-booked baggage. – Pre-ordered meals. – Refresh Point frequent flyer program. – Travel insurance. • Jeju Air provided additional sales detail for these ancillary revenue categories: <ul style="list-style-type: none"> – Additional baggage: KRW 2 billion. – Other a la carte services including advance seat assignment: KRW 4.2 billion.

	<ul style="list-style-type: none"> – Air café: KRW 0.6 billion. – Onboard duty free: KRW 30.1 billion. • Operating revenue disclosed for 2021: KRW 270,776,000,000.
Historical Ancillary Revenue	
2018	\$88,696,584
2019	\$102,811,760
2020	\$48,508,981
2021	\$33,495,750
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Jetstar Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$207,415,704
As a % of Revenue	24.4%
Dollars per Passenger	\$28.39
Financial Period	For the period ended 30 June 2021 (FY 2021)
Total Revenue	\$851,693,283
Passengers	7,306,000 Jetstar domestic and international
Information Source	Qantas Airways Limited Annual Report for the year ended 30 June 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Australian dollars (AUD). • Jetstar is the Qantas Group's low cost airline brand, operating primarily in leisure market segments. The group consists of Jetstar Domestic and Jetstar International (including New Zealand based domestic operations). The group also has holdings in Singapore-based Jetstar Asia and Jetstar Japan. • The airline disclosed to IdeaWorksCompany that customers purchased more a la carte items that supported a desire for more flexibility (Starter Plus and Starter Max bundles) and a travel pattern of longer stays (extra baggage). • Jetstar added the ability to purchase travel insurance after a booking has been made using the Manage Booking feature from AIG Australia Limited. • The new FareCredit option charges a fee to allow no-penalty cancellation with the amount paid returned as a travel voucher. FareCredit covers these items: fare, bundles, baggage, seats, meals, entertainment,

	<p>and comfort packs. Cancellations may be made for any reason, but must be made before the flight opens for check-in.</p> <ul style="list-style-type: none"> Ancillary revenue activity for Jetstar has been estimated for a number of years based upon media and other sources. For FY 2021, IdeaWorksCompany estimates ancillary revenue to be AUD 38 per passenger. This rate is lower than last year, due to the focus on domestic flying, rather than longer haul international operation. Multiplying passenger traffic of 7,306,000 by the rate generates FY 2021 ancillary revenue of <u>AUD 277,628,000</u>. For FY 2022 the assumed rate will be higher due to the return of an international network, which produces better ancillary revenue. The data was provided to Jetstar management prior to publication of this report. The company did not confirm or deny the accuracy of the data. Jetstar Group had total revenue of AUD 1,140,000,000 for FY 2021. Calendar 2020 commentary (see data below): 2020 results were based upon half year results. This was done to allow a pandemic period comparison with other airlines. Fiscal year reporting resumed for this yearbook.
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Historical Ancillary Revenue	
FY 2018	\$641,530,404
FY 2019	\$657,930,558
Calendar 2020	\$204,477,594
FY 2021	\$207,415,704
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Jin Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$20,097,450
As a % of Revenue	9.2%
Dollars per Passenger	\$3.44
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$217,898,667
Passengers	5,843,000
Information Source	Jin Air 4 th Quarter 2021 Earnings Release

Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Korean won (KRW). • The following sources of revenue were disclosed for 2021: <ul style="list-style-type: none"> – Merchandise: KRW 1.0 billion. – Excess baggage: KRW 1.2 billion. – Ticket related fees (includes reservation fee): KRW 10.8 billion. – Assigned seat sales: KRW 2.2 billion. – Bundle sales: KRW 0.9 billion. – Other ancillary (includes extra leg room seats, advertising, and others): KRW 6.7 billion. • Total ancillary revenue for 2021 is <u>KRW 22,800,000,000</u>. One checked bag is allowed per passenger. Meal service is offered on longer flights; all flights include beverage service. • The airline offers the following onboard and ticket-related services: <ul style="list-style-type: none"> – Branded fares (Smart, Smart Plus, and Lounge Plus). – Buy on board café with hot entrees (some routes have complimentary meals). – Excess baggage. – Lounge pass. – Merchandise sold inflight. – Online shopping mall. – Paid seat assignment (extra leg room seats, front of cabin, exit row, and aft cabin). – Pre-order meals. • The airline offers these ancillary revenue services: <ul style="list-style-type: none"> – Activity booking. – Frequent flyer program. – Hotel and car hire booking. – Trip insurance. • Jin Air operates a point based frequent flyer program called Nabi Points. • Operating revenue disclosed for 2021: KRW 247,200,000,000.
Historical Ancillary Revenue	
2018	\$48,567,664
2019	\$51,233,954
2020	\$23,752,760
2021	\$20,097,450
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Philippine Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$129,660,283
As a % of Revenue	10.9%
Dollars per Passenger	\$43.66
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,189,685,842
Passengers	2,970,000
Information Source	SEC Form 17-A for PAL Holdings, Inc.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Philippine pesos (PHP). • Results include PAL Express. • On September 3, 2021, Philippine Airlines (PAL) filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in United States Bankruptcy Court for the Southern District of New York. • Philippine Airlines disclosed “ancillary” revenue of <u>PHP 6,397,614,000</u> for 2021. The reference was not further defined; however, cargo was disclosed as a separate item. • Philippine Airlines lists the following a la carte activities at its website: <ul style="list-style-type: none"> – Buy-on-board boutique. – Choice Seats, which offer seat assignments in the front of the cabin and extra leg room seats. – Pay for empty adjacent seat(s) in Choice Seats zone. – Excess baggage. – Inflight oxygen. – myPAL flavors upgraded meal option. – myPAL Wifi access. – Travel insurance. – Unaccompanied minor travel. <p>The airline provides complimentary meal service for economy class passengers.</p> • Revenue for 2021 was PHP 58,700,711,000.
Historical Ancillary Revenue	
2018	\$216,823,125
2019	\$208,979,221
2020	\$79,897,311
2021	\$129,660,283
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

PIA Pakistan Airlines

Source and Type	Checked baggage charges
Ancillary Revenue	\$5,217,119
As a % of Revenue	1.0%
Dollars per Passenger	\$1.96
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$545,145,663
Passengers	2,657,000
Information Source	Annual Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Pakistan rupees (PKR). • PIA disclosed ancillary revenue of <u>PKR 824,806,000</u> for 2021 from excess baggage charges. • PIA owns the 1,024-room Roosevelt Hotel in New York City and the 213-room Scribe Hotel in Paris. The Roosevelt has been closed since 2020 and the airline is conducting a valuation for its sale. • Revenue for 2021 was PKR 86,185,394,000. • 2019 – 2021 commentary (see below): The company did not report room, food, and beverage sales for 2020 and 2021 which were considerable items for 2019.
Historical and Projected Total Ancillary Revenue	
2018	<i>No data</i>
2019	\$78,759,448
2020	\$4,171,925
2021	\$5,217,119
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Qantas Airways

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$735,145,781
As a % of Revenue	20.5%
Dollars per Passenger	\$85.88
Financial Period	For the period ended 30 June 2021 (FY 2021)
Total Revenue	\$3,581,594,385
Passengers	8,560,000 (excludes Jetstar)
Information Source	Qantas Airways Limited Annual Report for the year ended 30 June 2021

Ancillary Revenue
Definitions and Other
Notes from Financial
Reports

- All figures below are in Australian dollars (AUD).
- These results include Qantas Domestic, Qantas International, and Qantas Loyalty. Jetstar is the low fare affiliate of Qantas; please see the separate listing. However, Jetstar's contribution to Qantas Loyalty results are not separated from the consolidated results.
- Qantas Group has a collection of businesses which can qualify as ancillary revenue:
 - Qantas Insurance: Health, auto, life and travel insurance for frequent flyers.
 - Qantas Hotels: Accommodation booking service.
 - Qantas Money: Co-branded credit cards.
 - Qantas Wine: Wine subscriptions and sales which accrue points.
- Qantas Loyalty (operator of the Qantas Frequent Flyer program) disclosed this revenue for FY 2021: AUD 984,000,000. This represents the company's sole ancillary revenue disclosure. Qantas Loyalty was founded in 1987 and was established as a separate segment in 2007.
- Qantas Loyalty highlights for the fiscal period include:
 - 13.6 million members.
 - Credit card consumer spending returned to pre-pandemic levels in the 4th quarter of FY 2021.
 - Retail partnerships continued to be strong with over 500,000 members earning Qantas Points with BP Australia since the partnership launched in April 2020.
 - Retail businesses such as Qantas Wine and Qantas Rewards Store saw redemptions at peak levels as members turned to online shopping and sought ways to burn points on the ground.
 - The Qantas Insurance portfolio continues to perform well with continued growth in the financial year.
- The group did not specifically disclose ancillary revenue activity for FY 2021 which includes checked baggage, assigned seating, extra leg room seating, duty-free merchandise, commissions on travel services such as hotel and car rental bookings, and advertising revenue.
- Qantas Airways (including Loyalty) revenue for FY 2021 was AUD 4,794,000,000.
- FY 2018 – Calendar 2020 commentary (see data below): Loyalty program revenue was higher for 2018 when the carrier disclosed advertising revenue (which was not described for 2019).

	<ul style="list-style-type: none"> Calendar 2020 commentary (see data below): 2020 results were calculated based upon half year results. This was done to allow a pandemic period comparison with other airlines. Fiscal year reporting resumed for this yearbook.
Historical Ancillary Revenue	
FY 2018	\$1,255,877,286
FY 2019	\$1,151,460,414
Calendar 2020	\$546,456,696
FY 2021	\$735,145,781
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Thai AirAsia

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$20,290,760
As a % of Revenue	17.0%
Dollars per Passenger	\$7.00
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$119,328,992
Passengers	2,900,000
Information Source	Asia Aviation Public Company Limited Annual Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures are in Thai baht (THB). Asia Aviation, as a holding company, now owns 100% of Thai AirAsia, as of January 2022. Prior to this, AirAsia Group was co-owner of the airline. The AirAsia Super App offers access to 700+ airlines for flight booking. In addition, consumers can book food delivery through the AirAsia Food service. Ancillary revenue for 2021 was simply disclosed as <u>THB 651,000,000</u>. The company describes the following ancillary revenue activities: <ul style="list-style-type: none"> Checked baggage, with a discount provided for prepayment. Checked sports equipment. City and island transfer services. Co-branded credit card. Fly Thru service to connect bags between flights (extra fee applies). Inflight food, beverages, and merchandise. Payment processing fees.

	<ul style="list-style-type: none"> – Red Carpet which provides personal service from check-in to baggage claim. – Seat selection. – Travel insurance by Tune Protect. – Value Pack bundles for additional savings. – Xpress Baggage provides faster delivery upon arrival. – Xtra Carry-on for a total of 14 kg as a large bag and cabin item. <ul style="list-style-type: none"> • The following details for the sources of revenue were provided for 2021: <ul style="list-style-type: none"> – Baggage and other service fees: THB 464.1 million. – Inflight revenue: THB 61.7 million. – Advertising: THB 2.8 million. <p>The above totals THB 528.9 million and represents the majority of the disclosed ancillary revenue amount.</p> • Sales distribution was described as follows: <ul style="list-style-type: none"> – Internet and mobile app: 75.9%. – Direct sales at counters: 3.2%. – Indirect sales (travel agents): 20.9%. • Operating revenue for 2021 was THB 3,828,500,000.
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Historical Ancillary Revenue	
2018	<i>No data</i>
2019	<i>No data</i>
2020	\$73,631,176
2021	\$20,290,760
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

T'way Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$19,215,983
As a % of Revenue	10.2%
Dollars per Passenger	\$3.70
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$188,982,139
Passengers	5,189,000
Information Source	2021 Business Performance Presentation (English)
Ancillary Revenue Definitions and Other	<ul style="list-style-type: none"> • All figures below are in Korean won (KRW). • Calendar year 2021 is the 19th reporting period for the airline (Korean calendar).

Notes from Financial Reports	<ul style="list-style-type: none"> • The airline disclosed ancillary revenue of <u>KRW 21,800,000,000</u> for 2021. The English version of the Business Performance Presentation does not accurately describe the decimal places for the revenue disclosure. The Korean version specifies results presented as “100 million” which seems a reasonable figure. • T’way Air offers these ancillary revenue services: <ul style="list-style-type: none"> – Assigned seating. – Book now, pay later. – Bundles: Savings are offered when a la carte items are purchased together as a Bag Pack or Multi Pack. – Call center booking fee. – Checked and pre-paid baggage. – Hotel, car rental, activities, Airbnb. – Onboard shopping. – Pre-order meals. – Side seats: Hold up to 2 empty adjacent seats. – T’Care: personal service from counter to boarding. – T’way lounge in downtown Saipan: Purchase SIM card, Wifi subscription, airport transfers, car rental, sightseeing, and hotel accommodations. – Travel insurance. – U’story Service to arrange birthday, marriage proposal, anniversary surprises in advance on your flight. • Throughout 2021 the airline operated “no landing flights” which operate for just over 2 hours to provide a duty-free shopping experience at a ticket price of KRW 107,600 (\$95). The flights were only available to Korea passport holders from Seoul. • The following ancillary revenue results were disclosed for 2021: <ul style="list-style-type: none"> – Baggage: KRW 2,500,000,000. KRW 482 per passenger, or \$0.42 per passenger. – Inflight: KRW 1,100,000,000. – Other: KRW 15,500,000,000. – Seat assignment: KRW 2,800,000,000. KRW 540 per passenger, or \$0.48 per passenger. • Total revenue for 2021 was KRW 214,395,000,000.
Historical Ancillary Revenue	
2018	\$53,864,322
2019	\$64,042,442
2020	\$17,786,651

2021	\$19,215,983
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Vietjet Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$77,711,830
As a % of Revenue	19.8%
Dollars per Passenger	\$14.66
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$393,469,021
Passengers	5,300,000
Information Source	Separate Financial Statements for the Year Ended 31 December 2021, and Company Management Presentation Audited Financial Statement 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> Figures below are in Vietnamese dong (VND). The “Separate” financial statements are used for Vietjet Air. Vietjet’s “Key ancillary revenue activities” include baggage revenue and surcharges, cargo sales (cargo), aircraft sales (food, drinks, souvenirs) and advertising revenue. IdeaWorksCompany does not include cargo as a qualifying activity. Vietjet disclosed ancillary revenue of VND 4,923,384,773,547 (includes cargo) for 2021. Cargo revenue for 2021 was disclosed as \$136 million, which equates to VND 3,133,099,000,000. This was deducted from the ancillary revenue noted above to provide net 2021 ancillary revenue of <u>VND 1,790,285,770,000</u>. The airline offers these a la carte activities at its website: <ul style="list-style-type: none"> Baggage. Buy-on-board souvenirs and duty-free. Hotel bookings. Pre-ordered food. Priority check-in. Seat selection. Shuttle bus between airport and central city. Travel insurance. Operating revenue disclosed for 2021: VND 9,064,540,013,208 (revenue from the sale of goods and rendering of services).

Historical Ancillary Revenue	
2018	\$338,240,952
2019	\$447,951,841
2020	\$218,843,697
2021	\$77,711,830
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Non-Reporting Carriers for Asia and the South Pacific

The following airlines did not reveal ancillary revenue activity for the most recent full year period (additional search notes are also provided):

Air Do (Japanese only), Air Mauritius (no recent annual reports), Air Premia, Asiana Airlines, Bamboo Airways, Biman Bangladesh, Cathay Pacific, China Airlines, EVA Airways, Fiji Airways, Go First, Greater Bay Airlines, Hainan Airlines (documents only in Chinese), Hong Kong Airlines (owned by HNA), Juneyao Airlines (documents only in Chinese), Korean Air, Lion Air (privately held), Malaysia Airlines (no recent annual reports), Peach Aviation (owned by ANA), Solaseed Air (documents only in Japanese), SriLankan Airlines, Starflyer (documents only in Japanese), Thai Airways, Thai Summer Airways, Tigerair Taiwan (owned by EVA Air), Toki Air (2022 start), Vietnam Airlines (documents only in Vietnamese), Virgin Australia (privately held by Bain), and Vistara.

Carriers are invited to contact IdeaWorksCompany directly to provide feedback on the statistics provided in this report. Airlines also may directly disclose their ancillary revenue activities to IdeaWorksCompany for inclusion in next year's report. Please send your comments to Jay "at" IdeaWorksCompany.com.

Middle East and Africa

Air Arabia

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$126,043,567
As a % of Revenue	14.6%
Dollars per Passenger	\$28.52
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$864,294,622
Passengers	4,420,000
Information Source	Air Arabia Consolidated Financial Statements 31 December 2021, Results Presentation 2021, and Air Arabia Annual Report 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in UAE dirhams (AED). • The holding company owns 100% of Air Arabia (UAE), 44% of Air Arabia (Morocco), 40% of Air Arabia (Egypt), 49% of Air Arabia (Jordan), and 49% of Air Arabia (Abu Dhabi). In addition, it owns 100% of Air Arabia Holidays and shares in catering, travel companies, and hotels in the Middle East. The airline does not provide traffic and revenue statistics for individual airlines. • During 2021, Air Arabia Group and the Armenia National Interests Fund (ANIF) signed an agreement to launch "Fly Arna," an LCC to operate as Armenia's national airline. In addition, the Lakson Group and Air Arabia Group signed an agreement to launch "Fly Jinnah," as an LCC in Pakistan. • The airline disclosed the following revenue sources: <ul style="list-style-type: none"> – Other airline related services: AED 225,233,000. – Service revenue: AED 143,054,000. – Revenue from hotel operations: AED 54,573,000. – Baggage revenue: AED 40,035,000. These total <u>AED 462,895,000</u>, which represents 14.6% of airline revenue. • Air Arabia offers the following ancillary revenue products: <ul style="list-style-type: none"> – Airport services: arrival meet and assist, departure meet and assist, and baggage porter assistance. – Assigned seating. – Bus transfers. – Checked baggage. – Delayed baggage protection. – Frequent flyer program. – Hotel, car rental, and vacation package booking.

	<ul style="list-style-type: none"> – Onboard café and shopping. – Online travel visa. – Pre-order meals. – Travel insurance. • Revenue for 2021 was AED 3,174,122,000.
Historical Ancillary Revenue	
2018	\$139,107,379
2019	\$153,052,689
2020	\$76,963,376
2021	\$126,043,567
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Emirates

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$542,954,391
As a % of Revenue	3.4%
Dollars per Passenger	\$27.70
Financial Period	Fiscal year ended 31 March 2022 (2021/22)
Total Revenue	\$15,869,843,431
Passengers	19,600,000
Information Source	Annual Report 2021/22 of The Emirates Group for the period ended March 31, 2022
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in UAE dirhams (AED). • For the second time, Emirates disclosed ancillary revenue as a defined category. The following lists qualifying ancillary revenue activity described by the airline for FY 2021/22: <ul style="list-style-type: none"> – Defined ancillary revenue was AED 1.3 billion. – Travel Services (subsidiary called Dnata) revenue was AED 694 million. This category includes Emirates Holidays. When Emirates acts as an agent between the service provider and the end customer, the net commission is recognized as revenue. This indicates the revenue figures for travel services and consumer goods represent commission revenue, and/or sales revenue on items purchased by the company. The company disclosed total transaction value from Travel Services of AED 2.318 billion for FY 2021/22. The total of the qualifying activity listed above is <u>AED 1,994,000,000</u>. The amount does not include revenue activity related to the Skywards frequent

	<p>flyer program. The group also has holdings in a diverse array of businesses worldwide: restaurants (such as Hudson's Coffee outlets in Australia) and airline catering kitchens. These have not been included as contributing to ancillary revenue.</p> <ul style="list-style-type: none"> • The company disclosed these items for FY 2021/22: <ul style="list-style-type: none"> – Emirates' home fee-based check-in services help over 2,500 customers ease through Dubai airport during the July travel peak. – Emirates Holidays simplifies Dubai arrivals and departures with the launch of Airport Ease (meet and greet service for arrivals) and Airport Ease + (for arrivals and departures). The service includes a chauffeured BMW 5 series transfer. – Emirates Skywards launches "Skywards+" as a subscription plan offering global members access to bonus miles, reward discounts, lounge access, and larger baggage allowance. – Emirates inaugurates a new lounge facility dedicated for unaccompanied young flyers at Dubai International. The service is fee-based. – Emirates Skywards and ICICI Bank announce new co-branded credit card in India. – Marhaba (the group's airport hospitality brand) launches meet & greet services in Australia to help travelers enjoy a safe and seamless travel experience throughout their journey. Both arriving and departing passengers can take advantage of Marhaba's services at Sydney, Melbourne, Adelaide and Brisbane airports. • Revenue for FY 2021/22 was AED 58,282,000,000. • FY 2019/20 commentary (see data below): Emirates began disclosing revenue for a defined ancillary revenue category in FY 2019/20.
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Historical Ancillary Revenue	
FY 2018/19	\$120,898,570
FY 2019/20	\$1,927,297,481
FY 2020/21	\$203,675,970
FY 2021/20	\$542,954,391
Source: current and prior year editions of the Yearbook of Ancillary Revenue.	

flydubai

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$163,076,923
As a % of Revenue	11.3%
Dollars per Passenger	\$29.12
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$1,443,158,611
Passengers	5,600,000
Information Source	Annual Results for 2021 press release dated 07 March 2022
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in UAE dirhams (AED). • Ancillary revenue disclosed for 2021 was 11.3% (2020: 13.4%) of revenues or <u>AED 598,900,000</u>. Ancillary revenue items include: <ul style="list-style-type: none"> – Airport meet and greet services. – Assigned standard seats. – Bundled fares (Lite, Value, and Flex). – Car rental, holiday packages, and hotel bookings. – Checked baggage. – Dubai check-in from home and baggage collection. – Dubai home baggage delivery from arrival belt. – Extra leg room seating. – Onboard sales (limited to beer, wine, chips, and soda). – Pre-order meals for lower priced fares (higher price fares include a meal). – Tours and activities booking. – Travel insurance. – Wifi (three types of passes). The disclosure also includes cargo, which is believed to not represent a key activity for the airline. • Since the extended codeshare partnership with Emirates was launched in 2017, more than 8.3 million passengers have enjoyed seamless connectivity across the joint network. • Revenue for 2021 was AED 5,300,000,000.
Historical Ancillary Revenue	
2018	\$158,692,988
2019	\$153,573,860
2020	\$102,164,738
2021	\$163,076,923
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Jazeera Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$19,359,927
As a % of Revenue	7.3%
Dollars per Passenger	\$18.77
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$266,910,092
Passengers	1,031,352
Information Source	Jazeera Airways Group 2021 Annual Report and FY 2021 Earnings Conference Call
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Kuwait dinars (KWD). • Ancillary revenue includes revenue from checked baggage, allocated seating, change fees, and inflight sales. The definition also includes cargo revenue, however the income statement lists separate amounts for ancillary revenue and cargo. • The airline owns and operates terminal T5 at its Kuwait hub. Revenue is generated from commercial tenant activity and as the terminal is dedicated to Jazeera operations, this qualifies as ancillary revenue (“facility ancillary revenue”). • The calculation of Jazeera’s 2021 ancillary revenue total was derived as follows: <ul style="list-style-type: none"> – Defined ancillary revenue: KWD 5,503,477. – Facility ancillary revenue: KWD 327,876 (Terminal 5). The total from the above is <u>KWD 5,831,353</u>. • Revenue for 2021 was KWD 80,395,291.
Historical Ancillary Revenue	
2018	\$19,829,319
2019	\$27,058,327
2020	\$10,840,545
2021	\$19,359,927
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Kenya Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$73,977,207
As a % of Revenue	11.4%
Dollars per Passenger	\$33.63
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$650,156,879
Passengers	2,200,000
Information Source	Investor Briefing Full Year 2021 Investor Presentation and Signed Financial Statement 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Kenya shillings (KES). • For 2019, Kenya Airways described activities which qualify as ancillary revenue under the category of "Other Revenue" in the "Segment Information" section of its 2019 annual report. This same category listed revenue of <u>KES 7,990,000,000</u> for 2021. • The airline offers the following ancillary revenue services: <ul style="list-style-type: none"> – Airport lounge access. – Airport transfers. – Book a ticket through call center or airport office. – Branded fares: Best buy, Standard, and Flex). – Car rental. – Duty-free merchandise. – Economy Comfort class (extra room on Boeing 787 flights). – Economy Max (1 or 2 empty adjacent seats). – Excess baggage with pre-booked discounts. – Holiday packages and safaris. – Karibu Premium Services (VIP meet and greet, fast track). – Pet transportation (cargo hold). – Assigned seating: preferred seats, extra leg room, and standard. – Time to Think: book now, pay later. • Revenue for 2021 was KES 70,221,000,000.
Historical Ancillary Revenue	
2018	\$82,718,101
2019	\$91,188,502
2020	\$43,504,028
2021	\$73,977,207
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Qatar Airways Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$739,886,538
As a % of Revenue	5.2%
Dollars per Passenger	\$39.89
Financial Period	Fiscal Year Ended 31 March 2022
Total Revenue	\$14,321,151,922
Passengers	18,549,000
Information Source	Qatar Airways Group Annual Report 2021/2022 and Consolidated Financial Statement dated 31 March 2022
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Qatari riyal (QAR) and US dollars. • The 2022 disclosure of financial statements is rare for this company, as the last release was made for the fiscal year ending 31 March 2017. • The company disclosed these ancillary revenue activities: <ul style="list-style-type: none"> – Sale of duty free goods and beverages: QAR 2,119,143,000. – Reservation and travel agency: QAR 489,017,000, – Advertisement and promotions: QAR 35,396,000. – Income (not sales) from Al Maha airport VIP services: QAR 49,631,000. • Total ancillary revenue qualifying activity for FY 2022: <u>QAR 2,693,187,000.</u> • Beyond Business, a corporate rewards program, was introduced November 2021. The Privilege Club program adopted Avios (International Airlines Group) as its accrual and redemption currency in March 2022. • Qatar Duty Free represents a large operation at the Doha Airport hub with 40,000 square meters of retail space, more than 90 retail outlets, and 30+ restaurants and cafes. Revenue per passenger is more than 60% above the 2019 rate. • Discover Qatar is a destination management company owned by the group, and includes Qatar Airways Holidays. The company promotes and sells hotel stays, transfer programs, and activities/excursions. The holiday program generated incremental revenue of \$13 million during FY 2022. This activity is likely represented by the “reservation and travel agency” disclosure. • Dhiafatina is a wholly-owned subsidiary with a

	<p>portfolio of hotels in Qatar, Europe, and Australia. The revenue from this subsidiary is not included as ancillary revenue.</p> <ul style="list-style-type: none"> Qatar Airways Group revenue for FY 2022 was QAR 52,128,993,000.
Historical Ancillary Revenue	
2018	<i>No data</i>
2019	<i>No data</i>
2020	<i>No data</i>
2021	\$739,886,538
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Royal Jordanian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$23,636,107
As a % of Revenue	4.7%
Dollars per Passenger	\$15.07
Financial Period	Calendar year ended 31 December 2021
Total Revenue	\$503,614,951
Passengers	1,568,000
Information Source	Alia - The Royal Jordanian Airlines Company Annual Report 2021 (Arabic) and Consolidated Financial Statements 31 December 2021
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in Jordanian dinars (JOD). The airline disclosed the following activities which qualify as ancillary revenue: <ul style="list-style-type: none"> Excess baggage: JOD 5,855,000. Royal Tours revenue (package business): JOD 5,754,000. Frequent flyer revenue: JOD 2,128,000. Ancillary revenue: JOD 3,021,000 (this category does not include excess baggage). Total ancillary revenue from the above is <u>JOD 16,758,000</u>. The Royal Club frequent flyer program had 430,000 members as of 2019. The airline lists the following "Travel Extras" at its website: <ul style="list-style-type: none"> Car hire. Double Comfort: book an empty adjacent seat. Excess baggage. Hotel booking.

	<ul style="list-style-type: none"> – Lounge access. – Meet & Greet (Tikram service). – Seat selection. – Travel insurance. <ul style="list-style-type: none"> • Revenue for 2021 was JOD 357,063,000. • 2021 commentary (see data below): All ancillary revenue items were higher for 2021, beyond any increase related to additional passenger traffic.
Historical Ancillary Revenue	
2018	\$8,716,502
2019	\$9,740,480
2020	\$5,953,456
2021	\$23,636,107
<i>Source: current and prior year editions of the Yearbook of Ancillary Revenue.</i>	

Non-Reporting Carriers for the Middle East and Africa

The following airlines did not reveal ancillary revenue activity for the most recent full year period (additional search notes are also provided):

Airlink, Air Mauritius, Comair/Kulula, Egyptair (only 2020 report available during research time), Cemair, Green Africa, El Al, Etihad Aviation Group, Ethiopian, Fastjet, flyadeal (owned by Saudi Arabian Airlines), flynas (privately held), Jambojet (owned by Kenya Airways), Lift, Middle Eastern Airlines (only 2020 report was available during research time), Oman Air, Royal Air Maroc, Saudi Arabian Airlines (government owned), South African Airways, and Zambia Airways.

Carriers are invited to contact IdeaWorksCompany directly to provide feedback on the statistics provided in this report. Airlines also may directly disclose their ancillary revenue activities to IdeaWorksCompany for inclusion in next year's report. Please send your comments to Jay "at" IdeaWorksCompany.com.

Currency Exchange Rates Used for this Yearbook

Airlines usually disclose revenue in local currency. The overall reporting currency for this guide is the US dollar. The following exchange rates were used to convert amounts from local currencies.

Argentina peso (ARS)	= 0.01418
Australian dollar (AUD)	= 0.74710
Brazil reais (BRL)	= 0.19860
Canada dollar (CAD)	= 0.80609
China yuan (CNY)	= 0.15459
Croatian kuna (HRK)	= 0.15837
Danish kroner (DKK)	= 0.15945
EU euro (€)	= 1.18568
Great Britain pound (GBP)	= 1.37782
Hong Kong dollar (HKD)	= 0.12877
India rupee (INR)	= 0.01341
Japan yen (JPY)	= 0.00896
Jordanian dinar (JOD)	= 1.41044
Kenyan shilling (KES)	= 0.00926
Korean won (KRW)	= 0.00088
Kuwait dinar (KWD)	= 3.31997
Malaysia ringgit (MYR)	= 0.24046
Mexican peso (MXN)	= 0.05001
New Zealand dollar (NZD)	= 0.64737
Norway kroner (NOK)	= 0.11603
Pakistan rupee (PKR)	= 0.00633
Philippine peso (PHP)	= 0.02027
Qatari riyal (QAR)	= 0.27473
Singapore dollar (SGD)	= 0.74173
Sri Lankan rupee (LKR)	= 0.00501
Swedish kroner (SEK)	= 0.11661
Thai baht (THB)	= 0.03117
Turkish lira (TRY)	= 0.11534
UAE dirham (AED)	= 0.27229
US dollar (USD)	= 1.0
Vietnamese dong (VND)	= 0.00004

Currency exchange rates are from XE.com, the Universal Exchange Converter.

As effective on 01 July 2021.

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IdeaWorksCompany is a leading consulting resource for ancillary revenue and loyalty marketing. Our client list spans the globe – Europe, Middle East, Americas, South Pacific, and Asia – and every type of carrier.

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